Korean Film Industry Guide 2005

Korean Film Industry Guide 2005

KOFIC 영화진흥위원회
Korean Film Council

Korean Film Industry Guide 2005

Acknowledgements

KOFIC 영화진흥위원회 Korean Film Council

Publisher LEE Choong-jik, Chairman of KOFIC,
206-46 Cheongnyangni-dong, Dongdaemun-gu, Seoul, Korea (130-010)
Editor in Chief Francesco WON, Director of International Promotion Department
Editor JUNG Hyun-chang
Collaborator Nigel Savio D'Sa
Cover & Book Design Taelim Adnet

Contents

Korean Film Council

Korean Film Council

The Korean Film Council (KOFIC) is a specialized organization that as part of the wider state sector has been entrusted by the Ministry of Culture and Tourism to promote and support Korean films both in Korea and abroad. While KOFIC receives its budget from the government, its ability to make its own policies and conduct its activities independently makes it a semi-autonomous entity (as defined by the OECD), or what is more widely referred to as a Quango or 'quasi-autonomous non-government organization'.

The government oversees KOFIC's activities, and the National Assembly, as the representative organ of the people, conducts an annual audit of its finances. KOFIC's appropriate degree of distance from the government allows it to forge highly efficient film policies that are designed to develop the Korean film industry.

KOFIC consists of nine commissioners, the Secretariat, the Namyangju Studios, and the Korean Academy of Film Arts (KAFA). KOFIC also has 10 sub-committees, responsible for drafting film policy and reviewing policy-related issues. Examples of such sub-committees include the Committee for the Education of Specialized Film-related Human Resources, the Committee for the Promotion of Film Culture, the Committee for the Management of the Korean Film Promotion Fund, and the Special Committee to Promote Exchanges between the South-North Korean Film Industries.

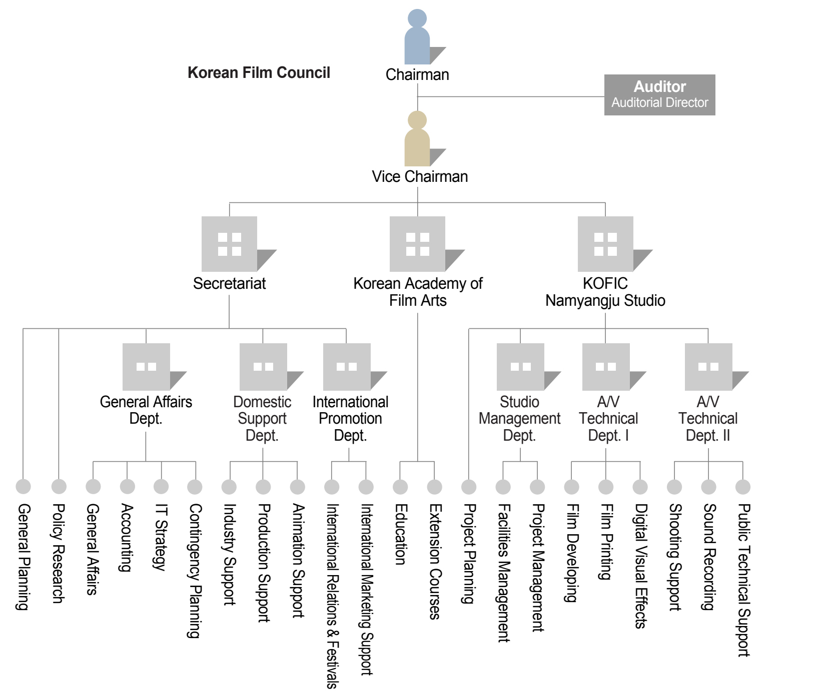
KOFIC's Main Activities

1) Establishment of plans to promote the film industry
2) Management of film production facilities, including the KOFIC Namyangju studios
3) Establishment of criteria used to determine whether co-productions should be deemed Korean films or not
4) Management of the 'Korean Film Promotion Fund'
5) Research and development (R&D)
6) Education and re-education of film-related human resources
7) Provision of support for the production, distribution, and screening of films in order to ensure the quality of films as well as greater diversification
8) Support in the form of overseas marketing and the promotion of international exchanges

Korean Films and KOFIC

- April 3, 1973, the Korean Motion Picture Promotion Corporation is established.
- March 12, 1984, the Korean Academy of Film Arts (KAFA) is founded.
- 1988, American (Hollywood) films begin to be directly distributed in Korea.
- January 1, 1994, the limited number of film copies system is abolished and replaced with a wide release film distribution system.
- 1996, the 1st Pusan International Film Festival is held.
- October 11, 1997, the Korean Film Promotion Fund is established.
- November 5, 1997, the KOFIC Studio Complex is completed.
- 1998, then presidential candidate Kim Dae-jung puts forward the organization of a film commission as one of his campaign pledges. The basic principles of the Korean Film Investment Union, through which public funds can be distributed, are established.
- February 8, 1998, the Film Promotion Law is modified and the structure of the Korean Film Commission is firmly established.
- October 20, 1998, Japanese films begin to be imported.
- February 13, 1999, <Shiri> is released.
- March 12, 1999, an animation course operated by KAFA is established.
- May 28, 1999, KOFIC is officially launched.
- September 10, 1999, the second phase of the opening of the Korean market to Japanese films begins.
- June 27, 2000, the third phase of the opening of the Korean market to Japanese films begins and Japanese animation films begin to be imported into Korea.
- September 9, 2000, <JSA: Joint Security Area> is released.
- March 31, 2001, <Friend> is released.
- May 1, 2002, the law designed to completely abolish the film censorship system is enacted.
- May 9, 2002, MediACT, a media center for public access, is established.
- December 24, 2003, <Silmido> is released, attracting 11,081,000 admissions.
- February 5, 2004, <Tae Guk Ki> is released, attracting 11,746,135 admissions.
- March, 2004, Korean Film Commission changes its name into Korean Film Council.
- May, 2004, <Old Boy> receives the Grand Prix at the 57th Cannes International Film Festival.

The Organizational Structure of KOFIC



The Budgetary Structure of KOFIC in 2005

Item	Amount (1,000 won)	Note
Total actual expenditures	51,879,782	
Financing of Korean Film Investment Union	12,000,000	
Loans	11,538,161	Improvement of theater facilities
Expenditures for Support Projects	15,771,148	
Expenditures for Management	12,570,473	Personnel expenses, management, technical projects
Anticipated budget	51,879,782	Excluding investments and loans
National subsidies	6,668,000	
Income earned through own activities	6,515,542	Income from technical projects etc.
Carry-over from the previous budget	1,756,476	
Interest from the Film Promotion Fund	3,765,262	Income from interest and the financed projects
Use of the Film Promotion Fund	33,174,502	The total amount of the Film Promotion Fund is 167.0 billion Won as of 2003

KOFIC's Promotional and Support Activities

1. Production Support

1) Support for films in pre-production

KOFIC provides support for the development of film scenarios, management of a scenario bank, and in-depth support for the production of independent films

2) Support for films in production

Korean Film Investment Union Financing Project To create stable access to the investment needed to invigorate the production of Korean films and other forms of motion pictures, KOFIC selects five qualified investment unions and provides them each with 2 billion won.

Support for the production of artistic films In order to promote the activation of low budget artistic films as well as the diversification of Korean films, KOFIC selects aesthetically promising feature or animated films and provides them with financial support. KOFIC awards 400 million won to up to 5 films (feature films, including animation films for which the net production costs are less than 1.5 billion won).

Support for the production of HD Telefilm To activate the production of Korean films through the combination of film and broadcasting production technologies, while diversifying screening windows and cultural contents, KOFIC provides support in the amount of 300 million won to five aesthetic and artistic films a year whose net production costs are less than 500 million won (and produced with HD digital equipment) that are deemed to be appropriate for release in theaters or on TV.

Support for international co-productions In order to diversify the methods used to invest in film production and widen the sources of overseas distribution by invigorating international co-productions, KOFIC provides one film a year with up to a maximum of 300 million won. The feature film selected should be at least 70 minutes in length and have incurred net production costs of less than 3 billion won in at least two countries, one of which should be Korea.

3) Support for the improvement of the distribution environment

Management of the computerized box office collecting system KOFIC strives to modernize the distribution structure through the establishment of effective support policies that include the erection of an information infrastructure for the film industry, the reduction of distribution costs, as well as the establishment of a transparent revenue structure.

2. Marketing Support

1) Support for distributing artistic films

KOFIC provides, with P&A costs, films that are produced in various formats and designed to be released on a maximum of 20 screens nationwide, which will contribute to the betterment of Korean culture.

2) Support for the operation of ArtPlus Cinema

To provide opportunities for the screening of artistic / diversified films and support the establishment of a production-to-distribution screening system for such films, KOFIC selects 10 theaters nationwide which specialize in screening artistic films and provides them with management subsidies and programming expenditures.

3) Support for the production / distribution of DVDs

By improving the distribution environment for independent films, which face many difficulties when it comes to being released in theaters, and introducing them to a wider range of moviegoers, KOFIC attempts to improve the perception of independent films and provide a stable structure for their distribution. KOFIC selects 10 independent films (screening time: 90-120 minutes) and provides each with a support fund of 8 million won.

※ Total scale of public financing:
5 billion won (direct support; production + marketing) 26.7 billion won (investment unions) = 31.7 billion won (approximately 10% of total film production costs)

Reference: The average production cost of a Korean film in 2004 was 4.16 billion won (the total production costs for the 77 Korean films made last year amounted to 320.32 billion won)
Korean films' sales structure: theaters 74%, exports 9%, additional sales rights 17%

3. Support for Overseas Marketing and International Exchanges

1) Promotion of Korean films in international film festivals

KOFIC provides support to various forms of exchange-related activities in order to heighten the potential for the screening of Korean films in international film festivals, as well as their possibility of winning awards.

KOFIC facilitates the participation of directors in international film festivals to which they have been invited by providing them with airplane tickets.

KOFIC sets up and operates KOFIC Pavilion, a Korean film promotion booth, during major international film festivals and thus lets Korean films enjoy comprehensive advertisement and the unification of sales windows.

KOFIC selects films which are judged to have potential in overseas markets, or at international film festivals, and provides an English-language translation, and pays for the production of a laser-subtitled print.

2) Provision of information on Korean films to overseas film industries

KOFIC publishes and distributes *Korean Cinema, Korean Film Guide,* and *Korean Film Industry Guide.* They are distributed for free to international film festivals, major distribution companies, film-related educational institutions, periodicals devoted to film, foreign cultural centers and consular offices in Korea, Korean cultural centers overseas, international film archives, domestic film companies, and other individuals and organizations with connections to the film industry.

KOFIC also facilitates information exchanges through an English homepage dealing with news on Korean film and the Korean film industry. KOFIC also supports publicity through international film media on behalf of the film industry in Korea.

3) Efforts to heighten the brand value of Korean films

KOFIC promotes special events at prestigious international film festivals, such as the holding of Korean Film Night reception. KOFIC provides support for the subtitling and production of prints of quality Korean films, and compiles a DVD library of Korean films of recognized quality subtitled in seven different foreign languages and then distributes them to international film related institutes, Korean studies research institutes, and universities and libraries. Throughout these efforts, the Council attempts to establish the brand value of well-known Korean films.

4) Strategic promotion of Korean films by region

KOFIC provides support for Korean film screening events in strategic overseas markets, and sponsors or co-hosts such events in conjunction with famous film related organizations. In 2004, KOFIC helped screen 322 Korean films as part of 22 events.

KOFIC supports Korean film exhibitions and special sessions around prestigious international film festivals, including efforts to increase the screening of Korean films during such film festivals, the dispatch of delegations, and the holding of promotional events such as Korean Film Night.

KOFIC implements the Global Promotion Outpost Project as part of its efforts to facilitate the entry of Korean films into overseas markets.

5) Cooperative exchange programs and promotion of international co-productions
KOFIC drafts international co-production agreements, while also promoting cooperative ventures with similar organizations located overseas. It also encourages the forging of alliances with international organizations specializing in matters related to cultural diversity.

6) Asian Film Industry Network (AFIN)
KOFIC has established a cooperative network with other public organizations across Asia that is designed to invigorate co-promotions, co-productions, and educational programs; to design joint film-related measures in Asia; and to increase the understanding of Asian markets through the exchange of information about other Asian countries' film industries.

KOFIC co-manages the Asian Desk and co-hosts a special event, Asian Film Night, during the Toronto International Film Festival, and also operates the AFIN Lounge during the Pusan International Film Festival.

7) Support for overseas Koreans and Asian film education programs
KOFIC provides support for film scenario contests for overseas Koreans and supports their production of independent films (in conjunction with the Overseas Koreans Foundation).

Long-term training programs and short-term workshops for the Asian region are managed by the Korean Academy of Film Arts.

8) Support for foreign film marketing in Korea
For cultural diversity, KOFIC endeavors to increase the opportunity for artistic foreign films distributed by minor distributors to be screened at art house cinema venues.

4. Technological Projects

1) Technical Support Center
Film laboratory The KOFIC Film Lab develops and prints over 45 million ft. of feature film and 8 million ft of short film annually. In this regard, the lab's technical excellence was recently recognized by the KODAK Imagecare Program.

Digital image KOFIC possesses the high-tech equipment needed for digital compositing such as the 'Inferno' system, special visual effects, various production tools for 2D and 3D films, and the Telecine system.

Shooting equipment KOFIC provides a service through which 535A cameras equipped with safety mode and time coding functions, as well as other miscellaneous equipment and lights needed for the shooting of films can be rented.

2) KOFIC Namyangju Studios
Sound recording room KOFIC strives to provide high-quality film sound based on global level technologies that have been awarded sound design awards at international film festivals. The council has at its disposal sound design, Foley, optical recording, and sound restoration systems.

Shooting studios KOFIC boasts a total of six indoor studios; namely, a large, two medium-sized, two small-sized, and a special photography studio; as well as outdoor sets totaling 30,000 pyung in size. These sets can be used to shoot entire feature films, commercials, or the shooting of special scenes.

Visual experience facilities KOFIC contains a wide range of facilities and spaces boasting high-tech equipment through which moviegoers can experience the film production process and audio/visual effects.

3) Image Technology R&D
Digital cinema To activate and assure the more efficient management of domestic digital cinema projects, KOFIC operates the Korean Digital Cinema Forum (KDCF). The council also actively promotes the building of a Northeast Asian digital cinema network and the establishment of an environment conducive to such an endeavor.

Technological standardization KOFIC attempts to standardize the film production technology used in the Korean film industry by reflecting global ISO standards in domestic KS standards. Furthermore, KOFIC has been recognized as the official designator of ISO standards in Korea.

Online technical support center KOFIC manages an online information center that has as its purpose the improvement of the quality of film production technologies through the exchange of information among networks related to film production technologies.

5. Education of Professional Human Resources

1) Educational courses

Provision of professional training to specialized film-related human resources KAFA organizes educational programs for small groups of students as well as practical workshops dealing with such topics as directing, cinematography, animation, and production

Management and distribution of KAFA films KAFA not only makes use of screening and broadcasting networks to distribute its films both domestically and internationally but also attempts to have its students' films screened in domestic and international film festivals, while also promoting its educational programs and films during special overseas events and releasing students' graduation films on DVD

2) Education (training) programs for those in the film industry

KAFA offers meticulous education programs designed to improve the level of specialization in each film-related field.

KAFA also offers basic courses (designed to help students develop a basic understanding of fields other than their own); courses directly related to their own fields (designed to improve the staff's level of specialization in their respective fields); as well as specialized courses (advanced workshops and seminars)

Local education programs (programs geared towards those members of the film industry and students residing in local areas)/ overseas training programs (training programs designed to educate students about the latest film technologies)/ online education programs

3) Support for education in Asia

KAFA provides promising young film-related human resources throughout Asia, including overseas Koreans, with the opportunity to take part in educational & training programs

6. Policy Research and Development

1) Conducting of research

Publication of research papers related to the Korean and overseas' film industries KOFIC contributes to the development of the Korean film industry by publishing its own research projects on the prevailing trends within the domestic and international film industries, and by providing policy alternatives to deal with the issues currently affecting the film industry

Statistical research on the film industry and the publication of statistical yearbooks KOFIC produces a wide range of statistics on film markets in order to make available the basic materials needed to conduct market analyses and related studies. What's more, it publishes the results of such research in the annual Statistical Yearbook, which are subsequently made available on the Internet.

Publication of the Korean Film Observatory in Korean and English KOFIC distributes the Korean Film Observatory, the only magazine related to the film industry and film policies in Korea, on a free basis. The English version of the magazine is distributed to concerned individuals and international film organizations.

2) Support for academic research and publications

Support for academic research KOFIC implements various programs to encourage interest in film related research, amass policymaking alternatives, and support Korean film studies overseas. These include the sponsoring of new researchers, the holding of contests involving the conducting of research in new film-related study fields, the promotion of Korean studies research overseas, and the staging of contests designed to compensate those research papers designated as being of outstanding quality.

Support for publications KOFIC encourages the publication and distribution of outstanding books on film related topics in order to consolidate the basis for the further development of the Korean film industry. In this regards, KOFIC provides support prior to the actual publication and afterwards as well.

7. Support for Projects Conducted by Film-related Organizations

KOFIC actively contributes to the increased autonomy of private organizations, as well as the development of the Korean film industry and film culture, by holding contests designed to select quality projects and activities conducted by film related organizations and subsequently providing such organizations with the necessary support. KOFIC also helps to protect the human and cultural rights of alienated classes, and provides support for the publication of academic papers and specialized journals.

K o r e a n F i l m I n d u s t r y G u i d e 2 0 0 5

Korean Film Industry for Last 10 Years

Korean Film Industry for Last 10 Years

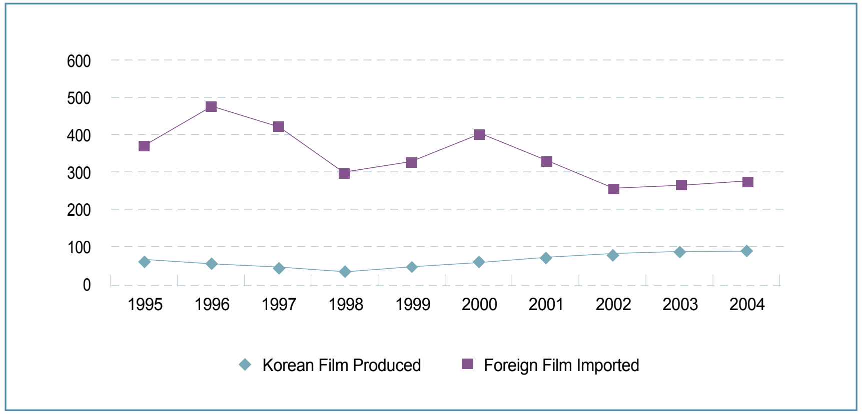
1. Box Office Results and Distribution Statistics

Table 1. Korean and Foreign Films Produced, Imported and Released by Year

Year	Korean Films		Foreign Films		Total No. of Films Released
	Films produced	Films released	Films imported	Films released	
1995	64	62	378	307	369
1996	65	55	483	320	375
1997	59	60	431	271	331
1998	43	43	296	244	287
1999	49	42	348	233	275
2000	59	62	404	277	339
2001	65	52	339	228	280
2002	78	82	262	192	274
2003	80	65	271	175	240
2004	82	73	285	194	267

Short films and films released in the previous year are not included.
The counted imported films are the actual imported films recognized by the Korea Media Rating Board, excluding films deemed unimportable under the import-recommendation system.

Korean Film Production and Foreign Film Import



Korean and Foreign Films Released by Year, (films)

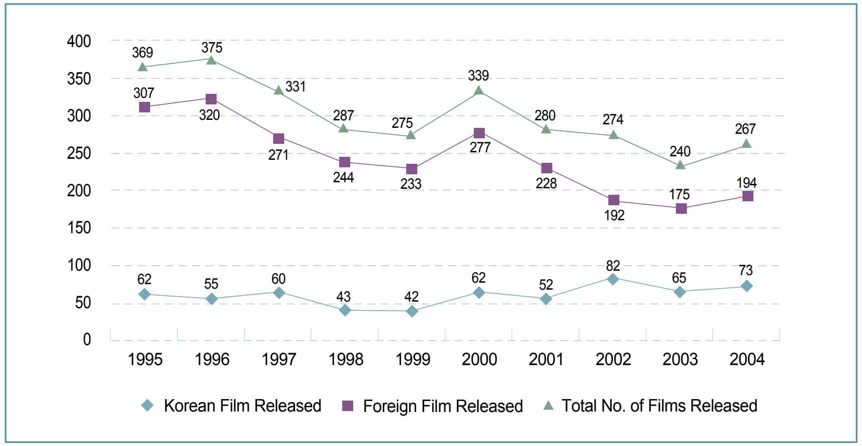


Table 2. Status of Film Business Registration by Year

Year	production	Import	Distribution	Screening/Exhibition	Total
1996	117	83	-	-	200
1997	118	83	-	-	201
1998	116	71	-	-	187
1999	367	215	155	409	1,146
2000	715	347	259	466	1,787
2001	918	390	268	511	2,087
2002	1,081	428	290	557	2,356
2003	1,218	469	302	611	2,600
2004	1,369	506	314	651	2,840

Data provided by Ministry of Culture and Tourism

No. of Film Business Registration by Year

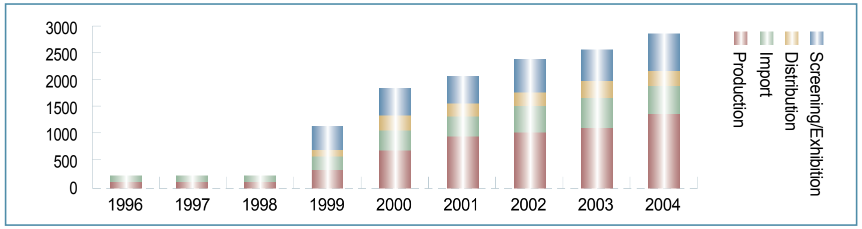


Table 3. Average Production Costs of Korean Films by Year

(unit: hundred million won)

Year	Average Production Costs	Net Production Costs	P & A Costs	Produced Films	Estimated Total of Yearly Production Costs
1996	10	9	1	65	650
1997	13	11	2	59	767
1998	15	12	3	43	645
1999	19	14	5	49	931
2000	21.5	15	6.5	59	1,269
2001	25.5	16.2	9.3	65	1,658
2002	37.2	24.5	12.7	78	2,902
2003	41.6	28.4	13.2	80	3,328
2004	41.6	28.0	13.6	82	3,411

Average Production Costs of Korean Films

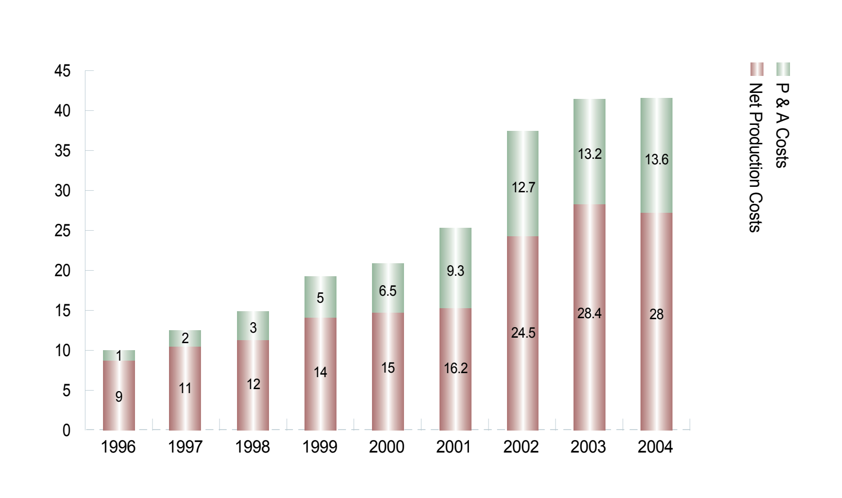
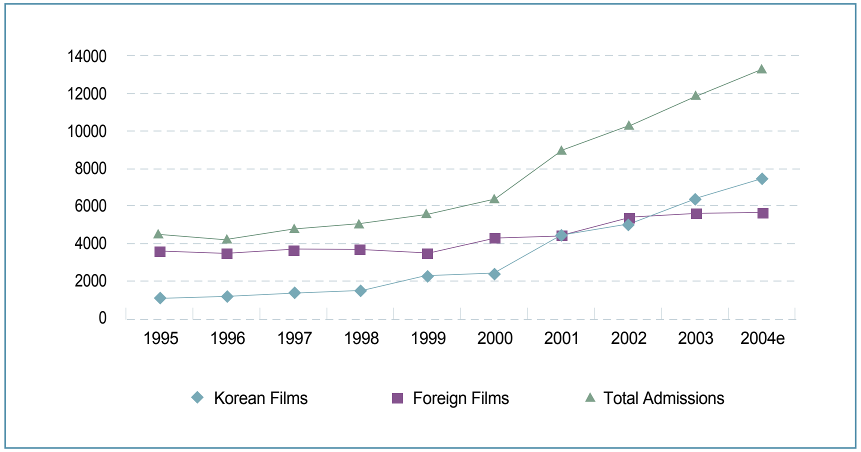


Table 4. Admissions, Market Share and Average Attendance Per Capita by Year

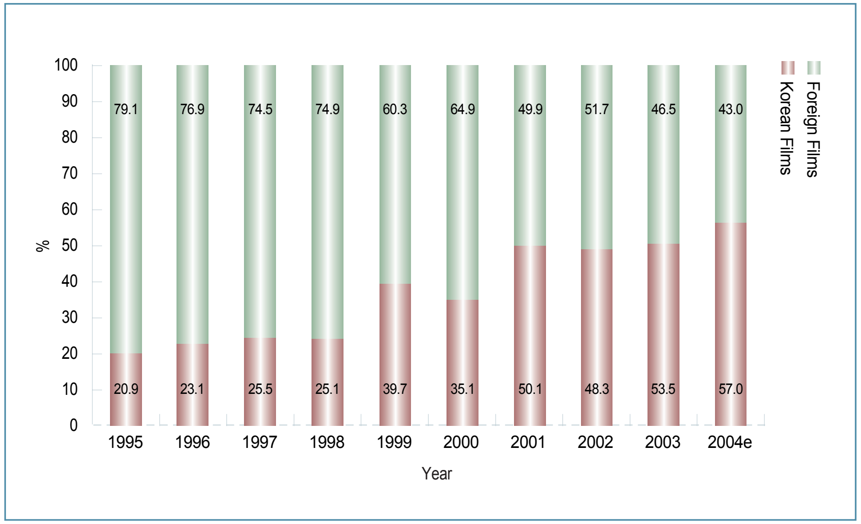
(unit : ten thousand)

Year	Korean Film			Foreign Film			Total Admissions	Total Average Attendance per capita
	Admissions	Market Share	Average Attendance per capita	Admissions	Market Share	Average Attendance per capita		
1995	944	20.9%	0.21	3,569	79.1%	0.79	4,513	1.0
1996	976	23.1%	0.19	3,244	76.9%	0.71	4,220	0.9
1997	1,212	25.5%	0.23	3,540	74.5%	0.77	4,752	1.0
1998	1,259	25.1%	0.29	3,759	74.9%	0.81	5,018	1.1
1999	2,172	39.7%	0.50	3,300	60.3%	0.70	5,472	1.2
2000	2,271	35.1%	0.41	4,191	64.9%	0.89	6,462	1.3
2001	4,481	50.1%	0.96	4,455	49.9%	0.94	8,936	1.9
2002	5,082	48.3%	1.07	5,431	51.7%	1.13	10,513	2.2
2003	6,391	53.5%	1.32	5,556	46.5%	1.15	11,947	2.5
2004e	7,524	57%	n.a.	5,676	43%	n.a.	13,200	2.7

Nationwide Admissions by Year



Market Share in Admissions by Year



Average Attendance per Capita by Year

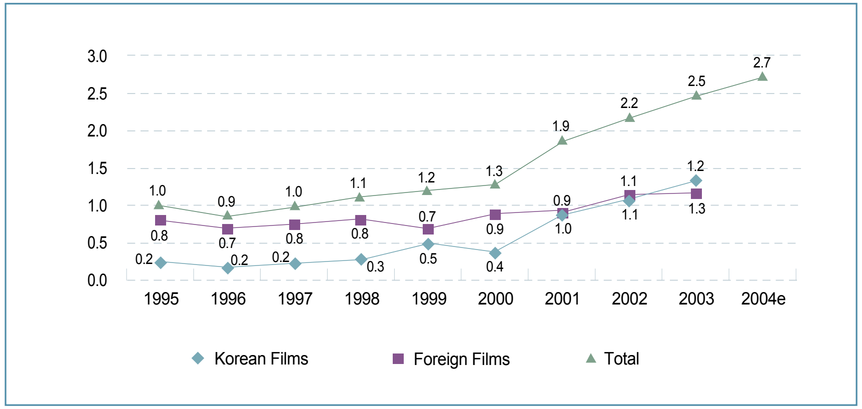


Table 5. Market Share by Country for Films Released in 2000-2004

(based on sales in the Seoul area)

Section		Korean films	US films by direct distribution	US films - imported	China	Europe	Japan	Others	Total
2000	Films Released	62	80	93	33	35	25	11	339
	Admissions	8,799,953	9,932,404	5,162,892	931,415	342,132	2,020,690	273,829	27,463,315
	Market Share	32%	36.2%	18.8%	3.4%	1.2%	7.4%	1%	100%
2001	Films Released	52	60	77	14	45	24	8	280
	Admissions	16,131,887	10,704,585	5,528,493	276,307	1,824,380	489,759	27,806	34,983,217
	Market Share	46.1%	30.6%	15.8%	0.8%	5.2%	1.4%	0.1%	100%
2002	Films released	82	74	57	6	24	13	18(9 films)	274
	Admissions	18,364,143	12,804,599	7,059,847	572,608	518,213	1,322,292	126,027(88,575)	40,767,729
	Market Share	45%	31.4%	17.4%	1.4%	1.3%	3.2%	0.3%(0.2%)	100%
2003	Films Released	65	68	44	10	29	18	6	240
	Admissions	21,780,462	11,852,060	7,238,731	1,100,280	650,097	1,263,861	62,591	43,948,082
	Market Share	49.6%	26.97%	16.47%	2.5%	1.48%	2.88%	0.14%	100%
2004	Films Released	74	72	47	9	33	28	5	268
	Admissions	25,513,346	11,755,590	7,610,481	749,287	267,286	973,040	168,763	47,037,793
	Market Share	54.2%	25%	16.2%	1.6%	0.6%	2.1%	0.3%	100%

The average admissions per film do not include the admissions for previously released films.
The numbers in parentheses ( ) at 'Others' indicate co-produced films.
China includes Hong Kong and Taiwan.

Market Share by Country for Films Released in 2000-2004

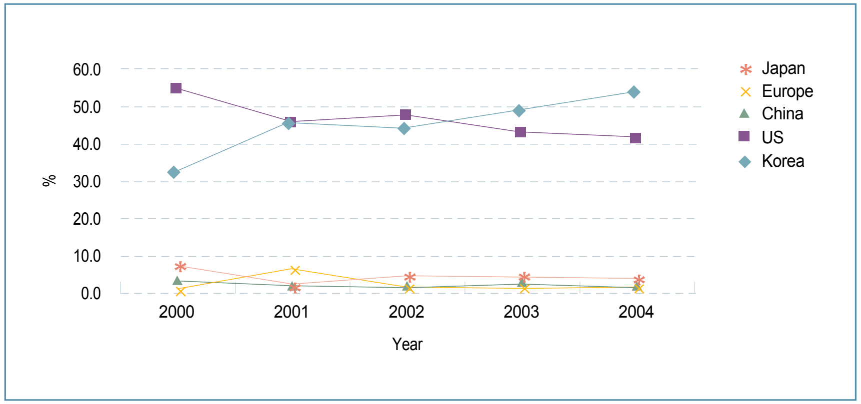


Table 6. Nationwide Box Office Sales by Year

(unit: hundred million won)

Year	Box Office Sales				
	Korean Films		Foreign films		Total
1995	393	20.4%	1,532	79.6%	1,925
1996	455	22.4%	1,573	77.6%	2,028
1997	600	25.2%	1,784	74.8%	2,384
1998	629	24.3%	1,955	75.7%	2,584
1999	1,128	39.4%	1,734	60.6%	2,862
2000	1,209	34.9%	2,251	65.1%	3,460
2001	2,609	49.8%	2,628	50.2%	5,237
2002	3,068	48.5%	3,259	51.5%	6,327
2003	3,823	53.31%	3,348	46.69%	7,171

Nationwide Box Office Sales by Year

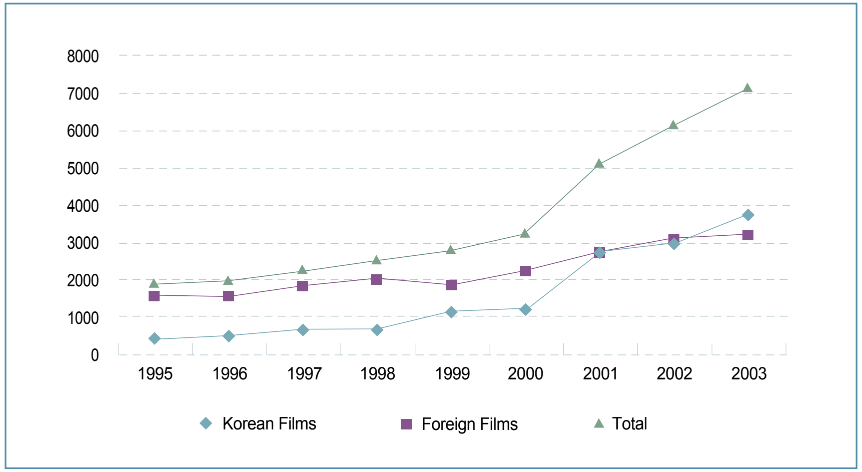
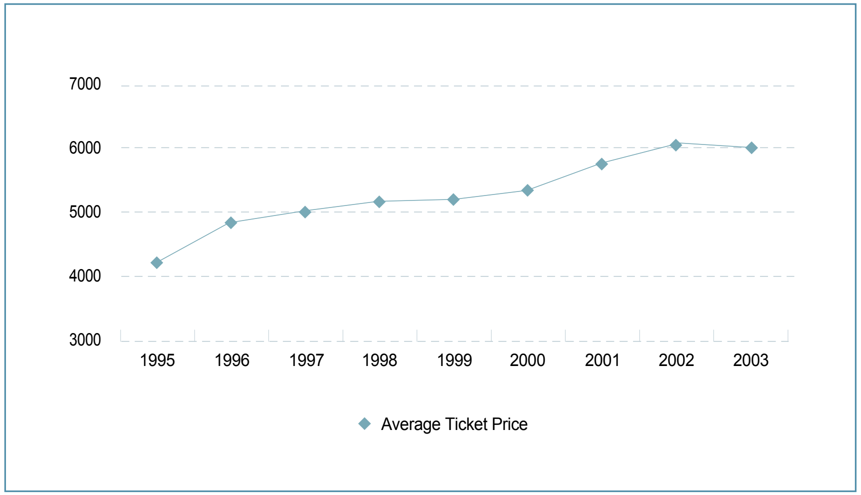


Table 7. Average Ticket Price by Year

(unit: won)

Year	Ticket price for Korean films	Ticket price for Foreign films	Average Ticket Price
1995	4,163	4,295	4,268
1996	4,698	4,867	4,828
1997	4,952	5,040	5,017
1998	4,996	5,202	5,150
1999	5,192	5,256	5,230
2000	5,324	5,371	5,355
2001	5,823	5,898	5,860
2002	6,071	6,001	6,035
2003	5,981	6,026	6,002

Average Ticket Price by Year



Korean Film Industry for Last 10 Years

Table 8. Nationwide Admissions and Box Office Sales by Month in 2003

(unit: person, won)

Month	Korean Films			Foreign Films			Total			
	Admissions	Box office Sales	Market Share	Admissions	Box office Sales	Market Share	Admissions	Market Share	Box office Sales	Market Share
Jan	3,961,418	23,733,969,477	6.2%	6,859,779	40,936,024,104	12.2%	10,821,197	9.1%	64,669,993,581	9%
Feb	5,586,894	32,953,075,163	8.6%	4,145,792	25,437,990,613	7.6%	9,732,686	8.1%	58,391,065,776	8.1%
Mar	3,064,339	18,095,639,860	4.7%	3,394,590	20,950,372,365	6.3%	6,458,929	5.4%	39,046,012,225	5.4%
Apr	3,828,652	23,109,300,449	6.0%	2,655,745	16,142,324,628	4.8%	6,484,397	5.4%	39,251,625,077	5.5%
May	5,749,844	34,659,347,646	9.1%	4,805,728	28,938,106,509	8.6%	10,555,572	8.8%	63,597,454,155	8.9%
Jun	5,958,628	35,858,195,915	9.4%	4,502,797	27,294,124,919	8.2%	10,461,425	8.8%	63,152,320,834	8.8%
Jul	5,897,325	35,753,218,449	9.4%	6,447,150	38,875,560,504	11.6%	12,344,475	10.3%	74,628,778,953	10.4%
Aug	5,661,636	33,008,718,378	8.6%	6,350,969	38,274,469,952	11.4%	12,012,605	10.1%	71,283,188,330	9.9%
Sep	6,128,472	37,138,636,417	9.7%	3,659,012	22,057,722,384	6.6%	9,787,484	8.2%	59,196,358,801	8.3%
Oct	6,723,905	40,229,910,095	10.5%	2,259,890	13,563,964,978	4.1%	8,983,795	7.5%	53,793,875,073	7.5%
Nov	5,034,086	30,081,925,596	7.9%	4,227,815	25,508,489,944	7.6%	9,261,901	7.8%	55,590,415,540	7.8%
Dec	6,318,047	37,646,418,993	9.8%	6,252,796	36,860,753,796	11%	12,570,843	10.5%	74,507,172,789	10.4%
Total	63,913,246	382,268,356,438	100%	55,562,063	334,839,904,696	100%	119,475,309	100%	717,108,261,134	100%

Admissions by Month in 2003

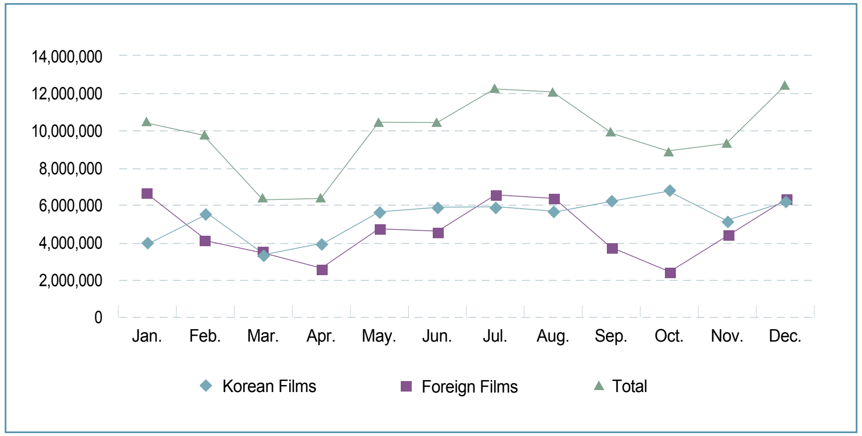


Table 9. Admissions and Box Office Sales by Region in 2003

(unit: person, won)

Region	Admissions	Market Share of Admissions	Yearly Box Office Sales	Market Share of Box Office Sales	Population
Seoul	43,193,292	36.28%	276,107,797,956	38.85%	10,174,086
Busan	12,548,913	10.54%	74,693,446,400	10.51%	3,691,445
Daegu	7,959,368	6.68%	46,641,481,820	6.56%	2,529,544
Incheon	6,539,953	5.49%	39,337,699,128	5.54%	2,570,194
Gwangju	4,413,252	3.71%	26,852,839,168	3.78%	1,395,762
Daejeon	5,080,978	4.27%	27,563,214,741	3.88%	1,432,296
Ulsan	2,262,825	1.9%	13,204,675,506	1.86%	1,072,867
Gyeonggi	22,903,105	19.23%	133,077,567,187	18.73%	10,206,851
Gangwon	1,379,939	1.16%	7,565,428,018	1.06%	1,527,034
Chungbuk	2,341,963	1.96%	12,784,545,462	1.78%	1,489,635
Chungnam	2,156,107	1.81%	11,872,356,190	1.67%	1,912,803
Jeonbuk	1,794,467	1.51%	10,667,892,823	1.5%	1,954,430
Jeonnam	1,053,699	0.88%	6,030,258,112	0.85%	2,017,730
Gyeongbuk	1,350,500	1.13%	5,581,126,752	0.79%	2,720,832
Gyeongnam	3,235,043	2.72%	17,945,712,501	2.53%	3,139,017
Jeju	1,261,905	1.06%	7,182,219,370	1.01%	552,297
Total	119,475,309	100%	717,108,261,134	100%	48,386,823

Table 10. Numbers of Theaters and Screens by Year

Year	Population (ten thousand)	Total Admissions (ten thousand)	Theaters	Screens
1995	4,509	4,513	577	577
1996	4,552	4,227	511	511
1997	4,595	4,752	497	497
1998	4,643	5,017	507	507
1999	4,686	5,472	373	588
2000	4,727	6,169	373	720
2001	4,734	8,936	344	818
2002	4,802	10,513	309	977
2003	4,839	11,948	280	1,132
2004e	4,839	13,200	n.a.	1,400

Variation in Number of Theaters and Screens by Year

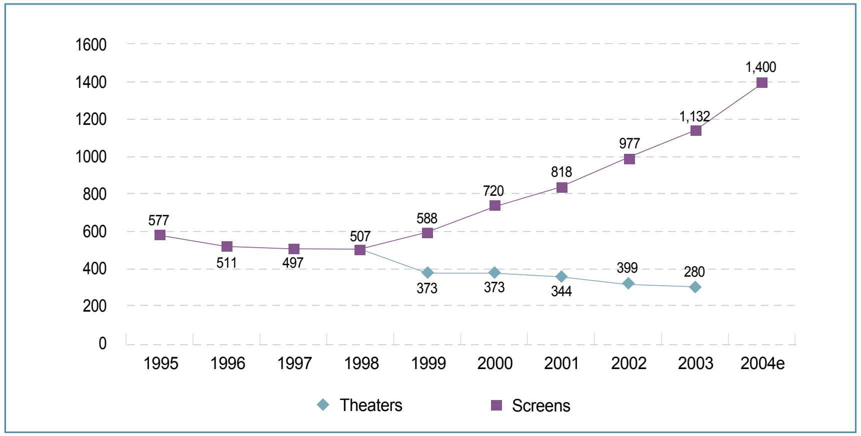


Table 11. Population per Screen by Year

Year	Population	Screens	Population per Screen
1995	45,092,991	577	78,151
1996	45,524,681	511	89,089
1997	45,953,580	497	92,462
1998	46,429,817	507	91,578
1999	46,858,463	588	79,691
2000	47,274,543	720	65,659
2001	47,342,828	818	57,876
2002	48,021,550	977	49,152
2003	48,386,823	1,132	42,745

Variation in Population per Screen by Year

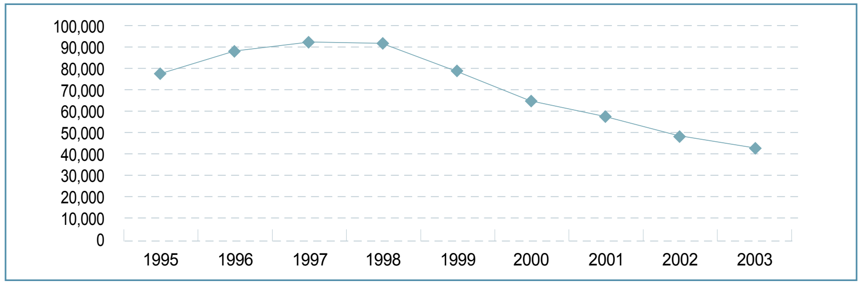
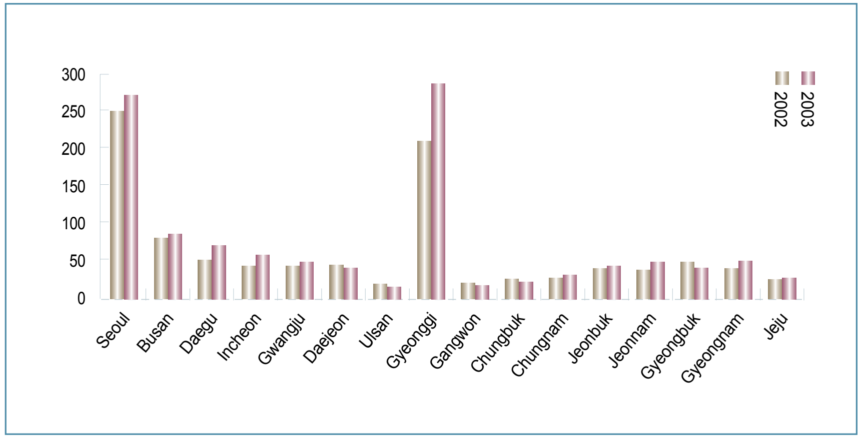


Table 12. Number of Screens, Admissions and Average Attendance per Capita by Region in 2002-2003

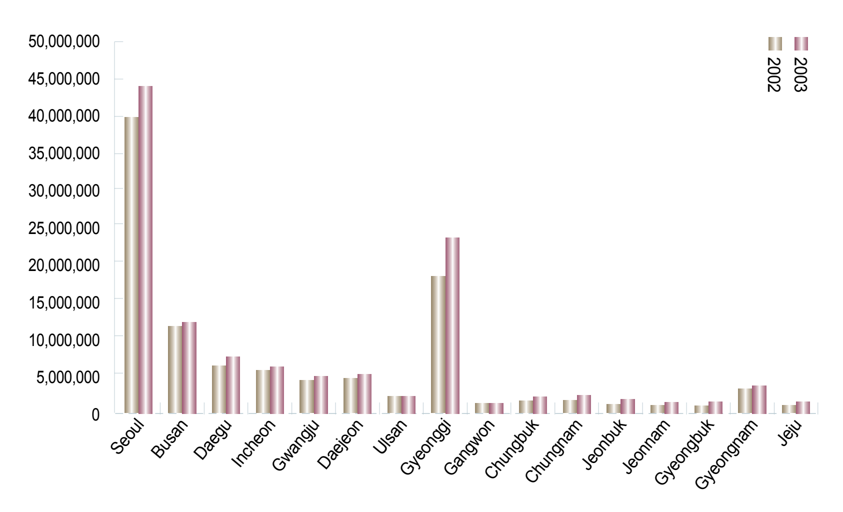
Region	Screens			Admissions			Avg. Attendance per Capita	
	2002	2003	Rate of Increase	2002	2003	Rate of Increase	2002	2003
Seoul	252	272	8%	40,355,928	43,193,292	7%	3.9	4.2
Busan	75	80	7%	11,996,562	12,548,913	5%	3.2	3.4
Daegu	48	64	33%	6,584,015	7,959,368	21%	2.6	3.1
Incheon	41	56	37%	6,260,523	6,539,953	4%	2.4	2.5
Gwangju	40	43	8%	4,378,481	4,413,252	1%	3.2	3.2
Daejeon	42	39	-7%	4,536,209	5,080,978	12%	3.2	3.5
Ulsan	17	16	-6%	2,256,060	2,262,825	0%	2.1	2.1
Gyeonggi	218	283	30%	17,460,124	22,903,105	31%	1.8	2.2
Gangwon	21	20	-5%	1,366,922	1,379,939	1%	0.9	0.9
Chungbuk	26	24	-8%	1,760,479	2,341,963	33%	1.2	1.6
Chungnam	25	32	28%	1,803,027	2,156,107	20%	0.9	1.1
Jeonbuk	35	43	23%	964,061	1,794,467	86%	0.5	0.9
Jeonnam	31	47	52%	798,215	1,053,699	32%	0.4	0.5
Gyeongbuk	48	40	-17%	919,783	1,350,500	47%	0.3	0.5
Gyeongnam	35	49	40%	2,913,204	3,235,043	11%	0.9	1.0
Jeju	23	24	4%	784,130	1,261,905	61%	1.4	2.3
Total	977	1,132	16%	105,137,723	119,475,309	14%	2.2	2.5

Population figures based on statistics from the Korea National Statistical Office.
Number of screens in 2003 are based on the present state in Dec. 2003

Number of Screens by Region in 2002 ~ 2003



Admissions by Region in 2002 ~ 2003



Average Attendance per Capita by Region in 2002 ~ 2003

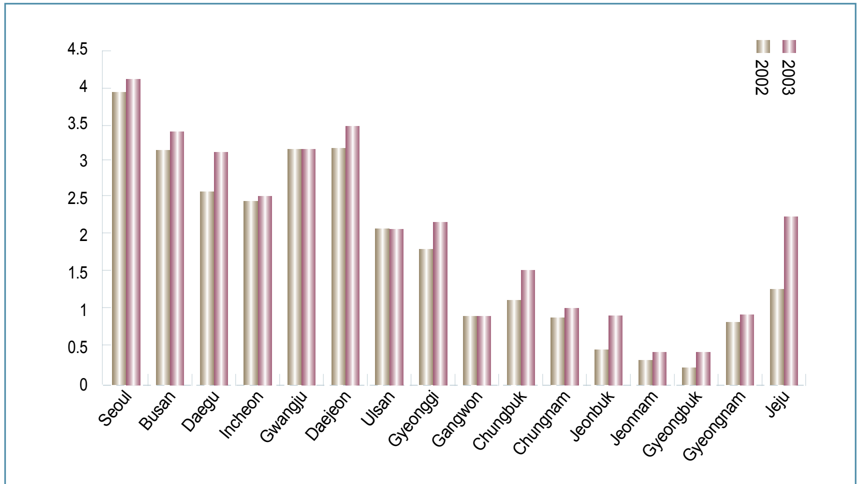


Table 13. Population per Screen and Seat by Region in 2003

Region	Population	Screens	Population per screen	Seats	Population per seat
Seoul	10,174,086	272	37,405	63,795	159
Busan	3,691,445	80	46,143	21,719	170
Daegu	2,529,544	64	39,524	14,883	170
Incheon	2,570,194	56	45,896	12,715	202
Gwangju	1,395,762	43	32,460	11,315	123
Daejeon	1,432,296	39	36,726	7,574	189
Ulsan	1,072,867	16	67,054	4,941	217
Gyeonggi	10,206,851	283	36,067	53,756	190
Gangwon	1,527,034	20	76,352	6,745	226
Chungbuk	1,489,635	24	62,068	6,565	227
Chungnam	1,912,803	32	59,775	6,424	298
Jeonbuk	1,954,430	43	45,452	10,782	181
Jeonnam	2,017,730	47	42,930	10,666	189
Gyeongbuk	2,720,832	40	68,021	7,999	340
Gyeongnam	3,139,017	49	64,062	11,684	269
Jeju	552,297	24	23,012	5,420	102
Total	48,386,823	1,132	42,745	256,983	188

Population per Screen by Region in 2003

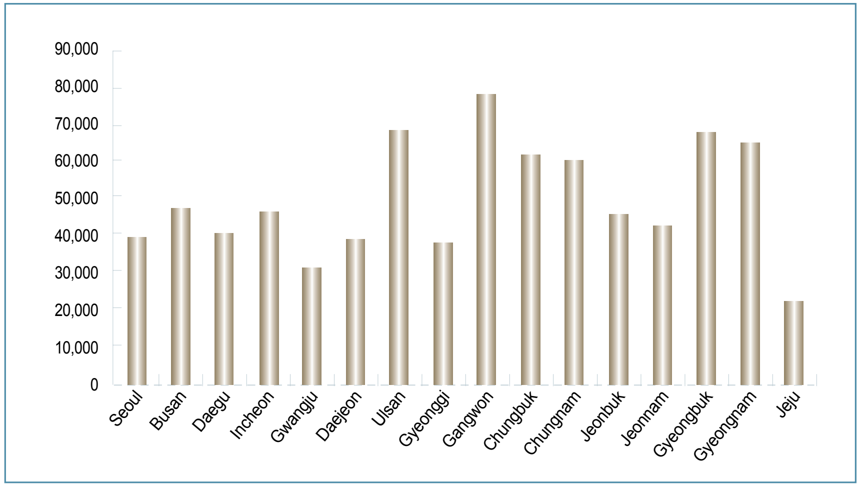


Table 14. Theaters and Screens by Region as of 2003

Region	1 screen	2 screen	3 screen	4 screen	5 screen	6 screen	7 screen	8 screen	9 screen	10 screen	11 screen	12 screen	14 screen	15 screen	16 screen	Theaters	Screens
Seoul	11	2	7	4	12	5	4	2	2	3	2				1	55	272
Busan	7	1		1	1		3	1		1	1	1				17	80
Daegu	1	1					1		2	1	1			1		8	64
Incheon	2	2	1		1				2	1			1			10	56
Gwangju	3	1		1	1	2	1			1						10	43
Daejeon	1		1		2			2	1							7	39
Ulsan	3	2							1							6	16
Gyeonggi	8	7	8	3	6	7	5	9		2		1	1			57	283
Gangwon	14	3														17	20
Chungbuk	4	2		2				1								9	24
Chungnam	8	1	1		1	1		1								13	32
Jeonbuk	5	2	5	1		1			1							15	43
Jeonnam	4	1	2	4	1	1		1								14	47
Gyeongbuk	9	2		3			1	1								16	40
Gyeongnam	10	3		3			3									19	49
Jeju	1	1	3		1		1									7	24
Total	91	31	28	22	26	17	19	18	9	9	4	2	2	1	1	280	1132
Market Share	33%	11%	10%	8%	9%	6%	7%	6%	3%	3%	1%	1%	1%	0%	0%	100%	

Table 15. Film Investment Funds

Year	Name of Investment Fund	Founded /Registered	Scale	Host Member (Amount of Investment)
1998	Mirae Media Venture Fund Ⅰ	1998.10.21	5 billion won	Mirae Asset Capital
Subtotal	1 Fund		5 billion won	
1999	Muhan Media Venture Fund Ⅰ	1999.12.	11.5 billion won	Muhan Investment Co., Ltd.
	Kim Dong-joo Media Fund	1999.10.12	5 billion won	Mirae Asset Capital
Subtotal	2 Funds		16.5 billion won	
2000	SVIC Media IT Fund Ⅰ	2000.1.11	18 billion won	Samsung Venture Investment
	Dream Media IT Venture Fund Ⅰ	2000. 6. 2 (2000.6.8)	13.5 billion won	Dream Venture Capital Corp. (3.7 billion won)
	Cowell Multimedia Investment Fund	2000. 6. 2 (2000.6.12)	10 billion won	Cowell Investment Capital Co., Ltd. (1 billion won)
	Tube Media Investment Fund Ⅰ	2000.12.21 (2000.12.27)	10 billion won	Tube Investment, Inc. Inc.(2.5 billion won)
	Sovik Multimedia Investment Fund	2000.12.21 (2000.12.27)	10 billion won	Sovik Investment Capital (1 billion won)
	MVP Investment Fund Ⅰ	2000.12.29 (2000.12.30)	10 billion won	MVP Venture Capital (1 billion won)
	Ilshin Animation Investment Fund	2000.12.29 (2000.12.30)	5 billion won	Ilshin Investment Co., Ltd. (500 million won)
	Venture Plus MultiMedia Fund	2000.12.29 (2000.12.30)	10 billion won	Venture Plus Capital Corp. (1.5 billion won)
	Dream Animation IT Venture Fund Ⅱ	2000.12	5 billion won	Dream Venture Capital Corp.
Subtotal	9 funds		91.5 billion won	
2001	ISU Entertainment Investment Fund Ⅰ	2001.03.29	10 billion won	ISU Venture Capital Co., Ltd.
	Centurion Multimedia Investment Fund	2001.03.31	6 billion won	Centurion Technology Investment Corp.
	Tube Media Investment Fund Ⅱ	2001.03.31	10 billion won	Tube Investment, Inc.
	Dream Media IT Venture Fund Ⅲ	2001.04.06	8 billion won	Dream Venture Capital Corp.
	CJ Discovery Fund Ⅰ	2001.04.06	8 billion won	CJ Venture Investment
	Hansol i Ventures Investment Fund Ⅱ	2001.05.14	17.1 billion won	Hansol i Ventures Co., Ltd.
	Jewoo Mega Media Venture Investment Fund	2001.05.23	8 billion won	JeWoo Venture Capital Co., Ltd.
	BTIC Fund Ⅰ	2001.06.07	10 billion won	Best Technology Investment Corp.
	KTB Cinema Fund Ⅰ	2001.8.10	10 billion won	KTB network (6 billion won)
	MBC-Muhan Media Investment Fund Ⅱ	2001.9.20 (2001.10.15)	10 billion won	Muhan Investment Co., Ltd. (2 billion won)
	MBC-Muhan Media Investment Fund Ⅰ	2001.09.	5 billion won	Muhan Investment Co., Ltd.
	IMM Culture Contents Investment Fund	2001.12.31	12.3 billion won	IMM Investment Corp.
Subtotal	12 Funds		114. 4 billion won	
2002	MVP Investment Fund Ⅱ	2002.1.15	10 billion won	MVP Venture Capital(1.1 billion won)
	Sovik Venture Investment Fund Ⅱ	2002.04.12	5 billion won	Sovik Venture Capital Co., Ltd.
	Ilshin & CoCo Contents Venture Fund	2002.04	12 billion won	Ilshin Investment Co., Ltd.
	KTB Cinema Fund Ⅱ	2002.05	5 billion won	KTB network
	Hoseo Culture Contents Investment Fund	2002.07.06	10 billion won	Hoseo Venture Capital Co., Ltd.
	CJ Venture Fund Ⅵ	2002.12.30 (2003.1.9)	9 billion won	CJ Venture Investment (500 million won)
Subtotal	6 Funds		51 billion won	
2003	Nexus Media Contents Investment Fund	2003.12.8	10 billion won	Nexus Venture Capital Co., Ltd.
	Astech Media Investment Fund	2003.12.10	3.2 billion won	Astech Venture Capital Co., Ltd.
	Centurion Multimedia Investment Fund	2003.12.15	10 billion won	Centurion Technology Investment Corp. (2 billion won)

Korean Film Industry for Last 10 Years

Year	Name of Investment Fund	Founded /Registered	Scale	Host Member (Amount of Investment)
2003	BiNEXT Entertainment Investment Fund Ⅰ	2003.12.19	10 billion won	BiNEXT HiTEC Co., Ltd. (1.5 billion won)
	Mirae Asset Venture Fund Ⅳ	2003.12.22	10 billion won	Mirae Asset Capital (1 billion won)
	MVP Investment Fund Ⅵ	2003.12.22	9 billion won	MVP Venture Capital (500 million won)
Subtotal	6 Funds		52.2 billion won	
Total	36 Funds		330.6 billion won	

Table 16. Market Share of Distributors in 2003

Division	Distributor	No. of Films	Seoul Admissions	Market Share
Korean Films	CJ Entertainment	9	6,552,165	30.08%
	Cinema Service	17	6,051,666	27.78%
	ChungEoRahm	11	3,352,306	15.39%
	ShowBox/Mediaplex, Inc.	6	1,957,223	8.99%
	Show East Co., Ltd.	3	1,610,320	7.39%
	Cineworld Entertainment	1	960,394	4.41%
	Tube Entertainment	6	657,672	3.02%
	Shinabro Entertainment	2	217,174	1%
	Aura Entertainment	5	206,726	0.95%
	Korea Pictures Co., Ltd.	2	105,000	0.48%
	Others	8	109,816	0.5%
	Total	70	21,780,462	100%
Foreign Films	Warner Brothers Korea	13	3,581,445	16.16%
	CJ Entertainment	15	3,024,375	13.64%
	Buena Vista International (Korea)/Walt Disney	17	2,812,317	12.69%
	Columbia Tristar Films of Korea	20	2,287,401	10.32%
	Cinema Service	9	2,168,121	9.78%
	UIP Korea	17	2,111,017	9.52%
	Korea Pictures Co., Ltd.	8	1,953,250	8.81%
	20th Century Fox Korea	17	1,896,226	8.55%
	Prime Pictures	8	551,908	2.49%
	Tube Entertainment	1	373,182	1.68%
	Cineworld Entertainment	5	267,760	1.21%
	Aura Entertainment	4	249,530	1.13%
	Showbox/Mediaplex, Inc.	2	153,995	0.69%
	Shinabro Entertainment	1	20,165	0.09%
	Others	44	716,928	3.23%
	Total	181	22,167,620	100%
Total	CJ Entertainment	24	9,576,540	21.79%
	Cinema Service	26	8,219,787	18.7%
	Warner Brothers Korea	13	3,581,445	8.15%
	ChungEoRahm	11	3,352,306	7.63%
	Buena Vista International (Korea)/Walt Disney	17	2,812,317	6.4%
	Columbia Tristar Films of Korea	20	2,287,401	5.2%
	Showbox/Mediaplex, Inc.	8	2,111,218	4.8%
	UIP Korea	17	2,111,017	4.8%
	Korea Pictures Co., Ltd.	10	2,058,250	4.68%
	20th Century Fox Korea	17	1,896,226	4.31%
	Show East Co., Ltd.	3	1,610,320	3.66%
	Cineworld Entertainment	6	1,228,154	2.79%
	Tube Entertainment	7	1,030,854	2.35%
	Prime Pictures	8	551,908	1.26%
	Aura Entertainment	9	456,256	1.04%
	Shinabro Entertainment	3	237,339	0.54%
	Others	52	826,744	1.88%
	Total	251	43,948,082	100%

Table 17. Imports via Direct Distribution and Amount of Royalty Remittance by Year

(in 1,000 Won)

Year	No. of Films	Admissions	Revenues	Royalty Remitted
1991	45	8,759,468	19,566,505	9,611,206
1992	57	8,507,009	32,384,688	17,022,724
1993	64	12,772,529	41,002,713	20,845,808
1994	68	15,290,269	47,208,933	18,037,168
1995	65	11,023,023	38,912,361	19,048,259
1996	53	14,786,024	52,307,389	26,211,361
1997	58	19,608,292	60,744,614	28,064,530
1998	67	22,546,229	67,970,860	30,813,353
1999	74	20,102,386	65,194,096	29,269,764
2000	78	18,426,596	63,076,533	26,612,685
2001	61	18,903,644	67,637,524	32,717,400
2002	75	29,769,973	95,295,393	40,731,490
2003	70	27,150,597	91,729,434	40,681,776

Korean Film Industry for Last 10 Years

Table 18. Admissions of Korean Films Released in 2003

No.	Title	Director	Production	Seoul Admissions	Nationwide Admissions
Previously Released 1	Jail Breakers	KIM Sang-jin	Director's Home	11,152	3,101,900
Previously Released 2	Too Young to Die	PARK Jin-pyo	May Films	30,083	60,666
Previously Released 3	Sex is Zero	YOON Je-gyun	Filmz Corp. / Doosaboo Film Inc.	545,920	1,592,296
Previously Released 4	Conduct Zero	CHO Keun-sik	KM Culture Co., Ltd.	569,421	1,694,637
Previously Released 5	H	LEE Jong-hyuk	B.o.m. Film Productions Co., Ltd.	11,788	90,000
1	Madeleine	PARK Kwang-chun	Free Cinema	146,482	365,656
2	Double Agent	KIM Hyun-jung	Koo & Film Inc.	361,580	1,025,928
3	The Classic	GWAK Jae-yong	Egg Films	564,348	1,545,107
4	My Tutor Friend	KIM Kyung-hyung	Korea Entertainment	1,587,975	4,937,573
5	Blue	LEE Jung-guk	KangJeKyu Films	62,236	198,500
6	The Scent of Love	LEE Jeong-wook	Taewon Entertainment	278,464	837,236
7	Show Show Show	KIM Jung-ho	Doremi Pictures Co., Ltd.	21,933	115,000
8	The First Amendment	SONG Kyung-sik	Hanmac Films	71,646	301,595
9	My Teacher Mr. Kim	JANG Gyu-sung	Fun & Happiness Film	856,680	2,472,135
10	The Garden of Heaven	LEE Dong-hyun	Du son Dream Pictures	38,773	129,499
11	Save the Green Planet!	JANG Jun-hwan	Sidus Corporation	32,683	73,132
12	A Little Monk	JOO Kyung-jung	Spectrum Film Korea	100,287	342,586
13	Oh! Happy Day	Yoon Hak-ryul	HwangKiSung Films	280,523	1,073,230
14	Jealousy is My Middle Name	PARK Chan-ok	Genration Blue Films	33,583	62,788
15	Memories of Murder	BONG Joon-ho	Sidus Corporation	1,912,725	5,255,376
16	Season in the Sun	LEE Min-yong	MP Entertainment	33,450	86,000
17	Mr. Butterfly	KIM Hyun-sung	Taewon Entertainment	173,613	612,558
18	Byul	CHANG Hyung-ik	Star Fruit Inc.	21,979	64,667
19	Oseam	SUNG Baek-yeop	Mago 21	25,574	145,000
20	Wild Card	KIM Yu-jin	Yu-jin E&C / C& Film	550,174	1,571,931
21	A Letter from Mars	KIM Jung-kwon	Ditto Entertainment	18,237	53,838
22	Arirang	LEE Doo-yong	Siori Entertainment	1,054	4,092
23	Tube	BAEK Woon-hak	Mir Film	123,020	467,570
24	A Tale of Two Sisters	KIM Jee-woon	Masulpiri Pictures, B.o.m. Productions Co., Ltd.	1,017,027	3,146,217
25	Reversal of Fortune	PARK Yong-un	A1 Cinema / Well Made Film	188,484	552,041
26	Crazy First Love	OH Jong-rok	Popcorn Film	741,029	2,339,410
27	The Sweet Sex & Love	BONG Man-dae	Kiweck ShiDae, Inc.	75,000	223,000
28	Singles	KWON Chil-in	Sidus Corporation	859,575	2,203,042
29	Mutt Boy	KWAK Kyung-taek	Zininsa Film	434,660	1,394,000
30	Sword in the Moon	KIM Eui-suk	White LEE Entertainment	191,600	536,258
31	Wonderful Days (a.k.a Sky Blue)	KIM Moon-saeng	Tin House	140,080	224,000
32	Galgari Family and Dracula	NAM Ki-nam	Smile Mania	74,564	432,999
33	Wishing Stairs	YOON Jae-yeon	Cine 2000	538,429	1,784,479
34	The Uninvited	LEE Soo-yeon	B.o.m Productions Co., Ltd. / Sidus Corporation	180,644	717,494
35	Into the Mirror	KIM Sung-ho	Keyplus Pictures	242,958	719,234
36	A Good Lawyer's Wife	IM Sang-soo	Myung Films	636,735	1,748,258
37	Elysium	KWON Jae-woong	Big Film	1,400	4,400
38	Love: Impossible	JUNG Cho-shin	Asia Line	55,246	223,503
39	Plastic Tree	EO Il-seon	RG Prince Films Inc.	1,634	7,410
40	Spring Breeze	JANG Hang-joon	Cinema Service	281,911	924,190
41	Oh! Brothers	KIM Yong-hwa	KM Culture	952,010	3,148,748
42	Mudang -Reconciliation Between the Living and the Dead	PARK Ki-bok	Music & Film Creation Co.	6,690	17,200
43	My Wife is a Gangster 2	JUNG Hung-soon	HyunJin Cinema Co., Ltd.	527,575	1,858,077
44	Spring, Summer, Fall, Winter and Spring	KIM Ki-duk	LJ Film/ Pandora Film Production	30,000	57,000
45	Natural City	MIN Byung-chun	Jowoo Entertainment	86,531	224,182
46	Untold Scandal	E J-yong	B.o.m. Productions Co., Ltd.	1,292,951	3,522,747
47	Once Upon a Time in a Battlefield	LEE Joon-ik	Cineworld Entertainment	960,394	2,771,236
48	Acacia	PARK Ki-hyung	Dada Film/ Beautiful Film Company	35,660	124,000
49	The Greatest Expectation	OH Sang-hoon	CJ Entertainment	691,839	2,251,491
50	Spring Bears Love	YONG Yi	Ison Film	22,818	48,402
51	The Road Taken	HONG Ki-seon	Young Film/ShinCine Communications	5,989	7,952
52	The Silver Knife	KIM Sung-duk	Joy Entertainment	25,641	133,311
53	Please Teach Me English	KIM Sung-su	Nabi Pictures	330,121	917,782
54	If You Were Me	JeongJae-eun PARK Chan-wook PARKJin-pyo PARK Kwang-su YEO Kyun-dong YIM Soon-rye	National Human Rights Commission of Korea	18,409	31,171
55	Last Supper	SON Young-kook	Sunflower Film	9,863	35,000
56	Circle	PARK Seung-bae	Moviecam	13,180	32,256
57	Oldboy	PARK Chan-wook	Show East Co., Ltd.	1,140,000	3,269,000
58	OGU: Hilarious Mourning	LEE Youn-taek	Mao Film	12,934	16,000
59	The Legend of Evil Lake	LEE Kwang-hoon	Hanmac Films	101,478	393,962
60	~ing	LEE Eon-hee	Dream Max	159,396	483,828
61	Rewind	KIM Hak-soon	BK Cinema	300	300
62	Romantic Assassin	YOON Je-gyun	Doosaboo Film Inc.	292,190	940,134
63	Happy Ero Christmas	LEE Gun-dong	Tube Pictures	210,661	727,299
64	Silmido	KANG Woo-suk	Cinema Service	694,174	2,279,160
65	Lost in the South: Mission Going Home	AHN Jin-woo	Sam /Jumoney Films	33,299	105,023

Seoul admissions were estimated based on KOFIC's aggregated data and data provided by distributors.
Nationwide admissions are based on data provided by distributors. Short films are not included.

Table 19. Admissions of Foreign Films Released in 2003

No.	Title	Country	Seoul Admissions	Nationwide Admissions
Previously Released 1	Kissing Jessica Stein	USA(Direct Distribution)	1,498	n.a
Previously Released 2	Harry Potter and The Chamber of Secrets	USA(Direct Distribution)	320,084	1,170,000
Previously Released 3	Extreme Ops	USA	37,486	91,040
Previously Released 4	The Lord of The Rings : The Two Towers	USA	836,065	2,365,709
Previously Released 5	La Pianiste	France	2,742	80,000
Previously Released 6	Die Another Day	USA (Direct Distribution)	161,398	n.a
1	The Pianist	France	127,202	224,304
2	The Ring	USA	126,807	365,518
3	Treasure Planet	USA (Direct Distribution)	85,789	235,724
4	The Truth About Charlie	USA (Direct Distribution)	10,579	26,361
5	The Contender	USA	6,199	18,157
6	Metropolis	Japan	2,796	3,291
7	Simone	USA	41,316	90,485
8	Welcome to Collinwood	USA	73,826	185,324
9	Hero	China	795,000	1,910,000
10	Catch Me if You Can	USA	724,331	1,807,612
11	Hypercube : Cube 2	USA	83,285	224,070
12	Small Time Crooks	USA	3,510	7,101
13	The Transporter	USA (Direct Distribution)	29,523	100,000
14	I Spy	USA (Direct Distribution)	43,663	130,460
15	Two Weeks Notice	USA (Direct Distribution)	195,000	362,000
16	A La Folie.... Pas Du Tout	France	22,700	37,100
17	Shanghai Knights	USA (Direct Distribution)	111,086	332,144
18	The Hours	USA	82,016	141,075
19	8 Mile	USA (Direct Distribution)	173,093	292,626
20	Infernal Affairs	HongKong China	157,349	397,448
21	Dark Water	Japan	70,158	198,824
22	Tales Of The Unusual	Japan	31,400	89,000
23	The Jungle Book 2	USA (Direct Distribution)	6,599	25,429
24	Swept Away	USA (Direct Distribution)	234	442
25	The Gangs of New York	USA	275,000	698,000
26	Half Past Dead	USA (Direct Distribution)	8,780	47,543
27	Just Married	USA (Direct Distribution)	166,250	420,000
28	About Schmidt	USA	102,902	176,948
29	Undisputed	USA	16,622	53,450
30	The Emperor's Club	USA (Direct Distribution)	10,388	24,398
31	More Ants in The Pants	Germany	750	n.a
32	My Big Fat Greek Wedding	USA (Direct Distribution)	97,730	165,000
33	The Recruit	USA (Direct Distribution)	113,100	303,458
34	Together	China	45,935	98,557
35	Daredevil	USA	238,430	553,000
36	Maid in Manhattan	USA (Direct Distribution)	94,731	195,913
37	The Life of David Gale	USA (Direct Distribution)	33,839	54,623
38	Chicago	USA	715,000	1,371,500
39	Die Stille Nach Dem Schu	Germany	950	1,604
40	Tears of The Sun	USA (Direct Distribution)	128,349	471,818
41	Irreversible	France	38,618	65,419
42	Cradle 2 The Grave	USA (Direct Distribution)	13,100	320,000
43	Wasabi	France	15,057	40,414
44	Drumline	USA (Direct Distribution)	2,500	6,000
45	Ring 0: Birthday	Japan	3,193	5,806
46	The Core	USA (Direct Distribution)	109,669	292,641
47	Hable Con Ella	Spain	50,972	67,394
48	Solaris	USA (Direct Distribution)	9,300	22,000
49	Etre Et Avoir	France	4,929	6,213
50	Mononoke Hime	Japan	91,785	195,630
51	Taxi 3	France	11,700	n.a
52	Oid School	USA	7,594	27,750
53	Bowling for Columbine	USA	11,250	13,279
54	X-Man	USA (Direct Distribution)	579,460	1,500,000
55	Blanche	France	53	n.a
56	How to Lose A Guy in 10 Days	USA (Direct Distribution)	269,832	547,845
57	Dreamcatcher	USA (Direct Distribution)	83,400	204,100
58	Adaptation	USA	25,762	53,418
59	Punch Drunk Love	USA (Direct Distribution)	10,421	15,594
60	National Security	USA (Direct Distribution)	27,004	87,064
61	Bollywood Hollywood	Canada	1,121	1,757
62	Naked Weapon	HongKong China	5,000	10,000
63	Matrix Reloaded	USA (Direct Distribution)	1,596,000	3,510,000
64	Better Than Sex	Australia	46,286	70,498
65	Far From Heaven	France	30,164	49,691
66	Darkness	Spain	87,302	240,972
67	Antwone Fisher	USA (Direct Distribution)	3,970	7,000
68	Millennium Mambo	Taiwan	1,400	2,700
69	Abandon	USA (Direct Distribution)	10	n.a
70	Finding Nemo	USA (Direct Distribution)	620,593	1,286,412
71	Inner Senses	HongKong China	45,202	101,139
72	Anger Management	USA (Direct Distribution)	102,433	212,842
73	Vaya Con Dios	Germany	350	3,000

Korean Film Industry for Last 10 Years

No.	Title	Country	Seoul Admissions	Nationwide Admissions
74	Phone Booth	USA (Direct Distribution)	137,000	170,000
75	Johnny English	USA (Direct Distribution)	92,146	180,022
76	Narc	USA	32,983	78,156
77	Evelyn	UK	16,919	33,920
78	The Foreigner	USA (Direct Distribution)	1,959	6,584
79	Charlie's Angels: Full Throttle	USA (Direct Distribution)	645,472	1,566,696
80	Ju-On	Japan	345,769	1,016,928
81	The Hulk	USA (Direct Distribution)	154,105	484,879
82	Bruce Almighty	USA (Direct Distribution)	583,395	1,182,962
83	Sinbad: Legend of The Seven Seas	USA	437,034	1,305,603
84	Pinocchio	Italy	7,900	21,200
85	Terminator 3	USA	832,827	2,491,354
86	Confessions of A Dangerous Mind	USA	84,913	152,161
87	My Little Eye	USA (Direct Distribution)	4,140	11,638
88	Tomb Raider 2	USA	373,182	1,165,906
89	Dogville	Denmark	49,300	73,200
90	Bad Boys 2	USA (Direct Distribution)	581,783	1,446,741
91	The Cat Returns(Neko No Ongaeshi)	Japan	225,650	531,544
92	League of Extraordinary Gentlemen	USA (Direct Distribution)	445,810	1,450,000
93	Nid De Guepes A.K.A The Nest	France	7,913	14,914
94	25th Hour	USA (Direct Distribution)	591	n.a
95	Sexy Boys	France	50	50
96	The in-Laws	USA	102,440	n.a
97	Swimming Pool	France	27,000	39,500
98	Wrong Turn	USA	60,680	179,411
99	What A Girl Wants	USA	37,100	76,400
100	2fast 2furious	USA (Direct Distribution)	121,400	n.a
101	Pirates of The Caribbean: The Curse of The Black Pearl	USA (Direct Distribution)	738,275	2,010,460
102	Ju-on: The Grudge 2	Japan	145,000	440,000
103	28 Days Later	USA (Direct Distribution)	29,940	65,000
104	Star Trek Nemisis	USA (Direct Distribution)	390	n.a
105	Bulletproof Monk	USA	78,760	246,966
106	Twins Effect	Hong Kong China	18,934	48,624
107	K-Pax	USA	15,073	32,204
108	Underworld	USA	128,233	370,212
109	S.W.A.T	USA (Direct Distribution)	258,476	669,835
110	Kangaroo Jack	USA (Direct Distribution)	5,300	15,100
111	Secretary	USA	10,290	7,784
112	The Italian Job	USA (Direct Distribution)	265,350	566,800
113	Legally Blonde 2	USA (Direct Distribution)	54,790	110,000

No.	Title	Country	Seoul Admissions	Nationwide Admissions
114	Equilibrium	USA	92,299	261,889
115	A Man Apart	USA	8,105	15,989
116	Cowboy Bebop	Japan	2,475	2,475
117	陰陽師 (Onmyoji)	Japan	6,300	23,000
118	Between Calm and Passion	Japan	131,721	222,860
119	Doppelganger	Japan	1,624	2,007
120	Birthday Girl	USA	29,475	64,334
121	Heroic Duo	HongKong China	18,000	15,400
122	Deathwatch	UK	1,032	n.a
123	Den Osynlige	Sweden	240	n.a
124	Down With Love	USA (Direct Distribution)	22,450	38,000
125	Matchstick Men	USA (Direct Distribution)	29,100	58,300
126	Rabbit-Proof Fence	USA (Direct Distribution)	450	n.a
127	Darkness Falls	USA (Direct Distribution)	614	654
128	The Medallion	Ireland	41,430	154,036
129	Once Upon A Time in Mexico	USA (Direct Distribution)	48,419	107,789
130	Dolls	Japan	2,717	3,535
131	Good Bye, Lenin!	Germany	13,151	14,595
132	Jackass The Movie	USA (Direct Distribution)	351	n.a
133	Daddy Day Care	USA (Direct Distribution)	5	252
134	Yomigaeri	Japan	20,165	41,853
135	Intimacy	France	31,842	76,834
136	Identity	USA (Direct Distribution)	226,354	468,817
137	Intolerable Cruelty	USA (Direct Distribution)	119,251	201,300
138	The Day I Became A Woman	Iran	1,493	3,964
139	Kate & Leopold	USA	19,536	50,000
140	People I Know	USA	2,300	8,400
141	Jeepers Creepers 2	USA	9,509	28,611
142	Matrix Revolution	USA (Direct Distribution)	930,031	2,240,000
143	Kopps	Sweden	3,500	10,382
144	Blackboards	Iran	1,362	1,685
145	American Wedding	USA (Direct Distribution)	48,867	94,000
146	Interstate	USA	4,680	12,084
147	The Adventures of Rocky and Bullwinkle	USA	3,981	n.a
148	Novo	France	3,612	3,000
149	Frida	USA	66,100	79,000
150	Sea Biscuit	USA (Direct Distribution)	9,323	18,793
151	LeE Divorce	USA (Direct Distribution)	8,000	8,000
152	Kill Bill: Volume 1	USA	46,076	349,699
153	Tribute to A Sad Genius	Japan	97,824	201,550

Korean Film Industry for Last 10 Years

No.	Title	Country	Seoul Admissions	Nationwide Admissions
154	The Run Down	USA (Direct Distribution)	43,673	150,326
155	In Hell	USA	490	490
156	A Time of Love	Iran	678	678
157	Cyphyer	USA	4,520	9,505
158	Master and Commander : The Far Side of The World	USA (Direct Distribution)	193,401	570,000
159	The Stewardess	HongKong China	100	100
160	Big Fat Liar	USA	100	100
161	Mistic River	USA (Direct Distribution)	15,200	29,400
162	Love Actually	USA (Direct Distribution)	697,167	1,398,400
163	Internal Affairs	HongKong China	13,360	29,120
164	Yamakasi	France	17,950	50,529
165	La Petite Lili	France	3,512	6,200
166	Hollywood Homicide	USA (Direct Distribution)	5,277	14,000
167	The Movie 2	Japan	65,220	142,732
168	When The Last Sword is Drawn	Japan	2,500	9,000
169	Coronado	USA	16,943	60,941
170	The Lord of Rings : The Return of The King	USA	1,221,545	3,935,677
171	Atanarjuat	Canada	11,651	12,574
172	Crimson Pig	Japan	17,564	37,619
173	Looney Tunes : Back in Action	USA (Direct Distribution)	14,400	45,200
174	Snowboarder	France	31,257	68,726
175	The Cat in The Hat	USA	12,156	33,284

Seoul admissions were estimated based on KOFIC's aggregated data and data provided by distributors.
Nationwide admissions are based on data provided by distributors.

Table 20. Films that received more than 200,000 Admissions in Seoul, 2003

Korean Films

(unit: person)

No.	Title	Admissions in Seoul	Production
1	Memories of Murder	1,912,725	Sidus Corporation
2	My Tutor Friend	1,587,975	Corea Entertainment
3	Untold Scandal	1,292,951	B.o.m Film Productions Co., Ltd.
4	Oldboy	1,140,000	Show East Co., Ltd
5	A Tale of Two Sisters	1,017,027	Masulpiri Pictures / B.o.m Film Productions Co., Ltd.
6	Once Upon a Time in a Battlefield	960,394	Cineworld Entertainment
7	Oh! Brothers	952,010	KM Culture
8	Singles	859,575	Sidus Corporation
9	My Teacher Mr. Kim	856,680	Fun & Happiness Film
10	Crazy First Love	741,029	Popcorn Film
11	Silmido	694,174	Cinema Service
12	The Greatest Expectation	691,839	CJ Entertainment
13	A Good Lawyer's Wife	636,735	Myung Films
14	Conduct Zero **	569,421	KM Culture
15	The Classic	564,348	Egg Films Co., Ltd.
16	Wild Card	550,174	C& Film Co., Ltd.
17	Sex is Zero**	545,920	Filmz Corp./ Doosaboo Film, Inc.
18	Wishing Stairs	538,429	Cine 2000
19	My Wife is a Gangster 2	527,575	HyunJin Cinema Co., Ltd.
20	Mutt Boy	434,660	Zininsa Film
21	Double Agent	361,580	Koo & Film Inc.
22	Please Teach Me English	330,121	Nabi Pictures
23	Romantic Assassins	292,190	Doosaboo Film, Inc.
24	Spring Breeze	281,911	Cinema Service
25	Oh! Happy Day	280,523	HwangKiSung Films
26	The Scent of Love	278,464	Taewon Entertainment
27	Into the Mirror	242,958	Keyplus Pictures
28	Happy Naked Christmas	210,661	Tube Entertainment

** Previously Released Films

Foreign Films

(unit: person)

No.	Title	Country	Admissions in Seoul	Ratio of Population
1	The Matrix Reloaded	USA (Direct Distribution)	1,596,000	15.7%
2	The Lord of the Rings: The Return of the King	USA	1,221,545	12%
3	The Matrix Revolutions	USA (Direct Distribution)	930,031	9.1%
4	The Lord of the Rings: The Two Towers**	USA	836,065	8.2%
5	Terminator 3: Rise of the Machines	USA	832,827	8.2%
6	Hero	China	795,000	7.8%
7	Pirates of the Carribbean : The Curse of the Black Pearl	USA (Direct Distribution)	738,275	7.3%
8	Catch Me If You Can	USA	724,331	7.1%
9	Chicago	USA	715,000	7%
10	Love Actually	USA (Direct Distribution)	697,167	6.9%
11	Charlie's Angels: Full Throttle	USA (Direct Distribution)	645,472	6.3%
12	Finding Nemo	USA (Direct Distribution)	620,593	6.1%
13	Bruce Almighty	USA (Direct Distribution)	583,395	5.7%
14	Bad Boys Ⅱ	USA (Direct Distribution)	581,783	5.7%
15	X-Men 2	USA (Direct Distribution)	579,460	5.7%
16	The League of Extraordinary Gentlemen	USA (Direct Distribution)	445,810	4.4%
17	Sinbad: Legend of the Seven Seas	USA	437,034	4.3%
18	Lara Croft Tomb Raider : The Cradle of Life	USA	373,182	3.7%
19	Ju-on	Japan	345,769	3.4%
20	Harry Potter and the Chamber of Secrets**	USA (Direct Distribution)	320,084	3.1%
21	Gangs of New York	USA	275,000	2.7%
22	How to Lose a Guy in 10 Days	USA (Direct Distribution)	269,832	2.7%
23	The Italian Job	USA (Direct Distribution)	265,350	2.6%
24	S.W.A.T	USA (Direct Distribution)	258,476	2.5%
25	Daredevil	USA	238,430	2.3%
26	Identity	USA (Direct Distribution)	226,354	2.2%
27	The Cat Returns	Japan	225,650	2.2%

** Previously Released Films

2. Statistice on Exports and Imports

Table 21. Number of Films Produced and Imported by Year

Year	Produced Films	Imported Films	Direct Distribution of Imported Films	Produced Films/Total
1995	64	378	65	14.5%
1996	65	483	53	11.8%
1997	59	431	58	14.1%
1998	43	296	67	12%
1999	49	348	74	12.3%
2000	59	404	79	12.1%
2001	65	339	68	15.5%
2002	78	262	78	22.7%
2003	80	271	86	22.8%
2004	82	285	77	22.3%

The produced films are the feature films recognized by Korea Media Rating Board.
The imported films are the films recognized by the Korea Media Rating Board, excluding films deemed unimportable under the import-recommendation system.

Number of Films Produced and Imported by Year

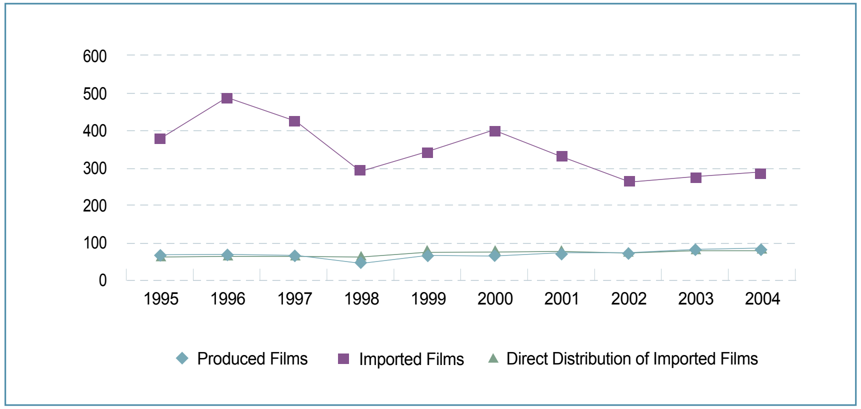


Table 22. Imported Foreign Films by Year

Year	Rated Films	Import Recommended Films	Import Expenditures in US Dollars
1995	375	378	67,862,529
1996	427	483	88,660,997
1997	380	431	69,270,274
1998	289	296	35,109,580
1999	297	348	26,933,855
2000	359	404	46,223,385
2001	321	339	48,482,111
2002	256	262	50,267,093
2003	235	271	58,865,358
2004	276	285	66,183,005

The dollar amount for import expenditures includes only import recommended films.
Dollar amounts for directly distributed films indicate only film print costs. More than 50% of the box office net profits are remitted to the Hollywood distributor as a separate portion. However in rigid terms, this should also be included in the "Import Expenditures" section.

Imported Foreign Films by Year

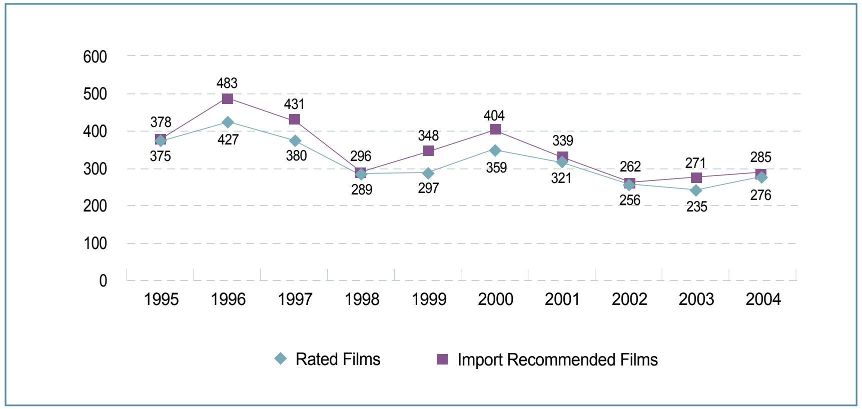


Table 23. Imported Foreign Films by Country in 2003-2004

Country	No. of Films	
	2003	2004
USA	149	147
USA / UK		1
USA / Spain		1
USA / Argentina		1
France	22	24
France / Belgium		1
Japan	20	42
China	18	16
Canada	6	5
Germany	5	5
Spain	3	7
UK	3	6
UK/Netherlands		1
Netherlands		1
UK / Ireland		1
Sweden	2	-
Australia	1	1
Denmark	1	2
Thailand	1	1
Italy	1	3
Greece	-	2
Belgium, Ireland, Russia	3 (1 each)	-
South Africa, New Zealand, Poland, Finland, Philippine, Turkey, India, Iran	-	8(1 each)
Total	235	276

Based on standards of Korea Media Rating Board.

Table 24. Korean Film Export Results by Year

Year	No. of Films	Export Price per Film($)	Amount of Export ($)
1995	15	13,912	208,679
1996	30	13,467	404,000
1997	36	13,667	492,000
1998	33	93,144	3,073,750
1999	75	79,590	5,969,219
2000	38	185,625	7,053,745
2001	102	110,289	11,249,573
2002	133	112,422	14,952,089
2003	162	191,228	30,979,000
2004	194	300,436	58,284,600

When the Korean Film Promotion Law was enacted in July 1996, the Export-Recommendation System was rescinded.
Therefore statistics concerning film exports after 1996 are unofficial data provided by production companies.

Number of Films Exported by Year

The Amount of Film Exports by Year

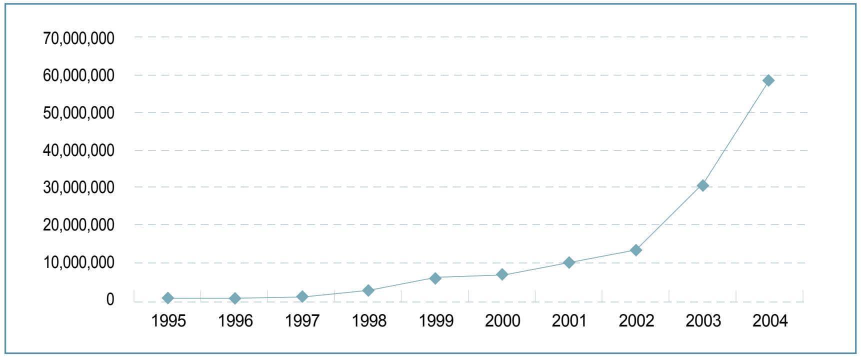
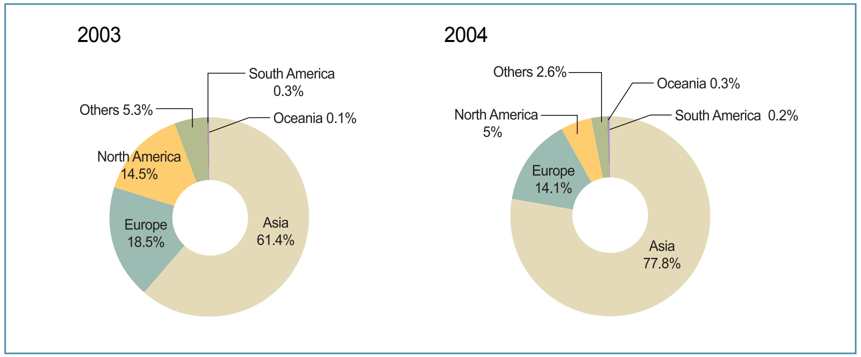


Table 25. Korean Film Exports by Region in 2003-2004

(in US Dollars)

Region	Amount of Export (US$)				Growth
	2003	Market Share	2004	Market Share	
Asia	19,024,000	61.4%	45,327,500	77.8%	138%
North America	4,486,000	14.5%	2,900,000	5%	-35%
South America	82,500	0.2%	141,500	0.2%	72%
Europe	5,724,000	18.5%	8,245,250	14.1%	44%
Oceania	30,000	0.1%	152,850	0.3%	410%
Others	1,632,500	5.3%	1,517,500	2.6%	-7%
Total	30,979,000	100%	58,284,600	100%	88%

Korean Film Exports by Region in 2003~2004



Korean Film Industry for Last 10 Years

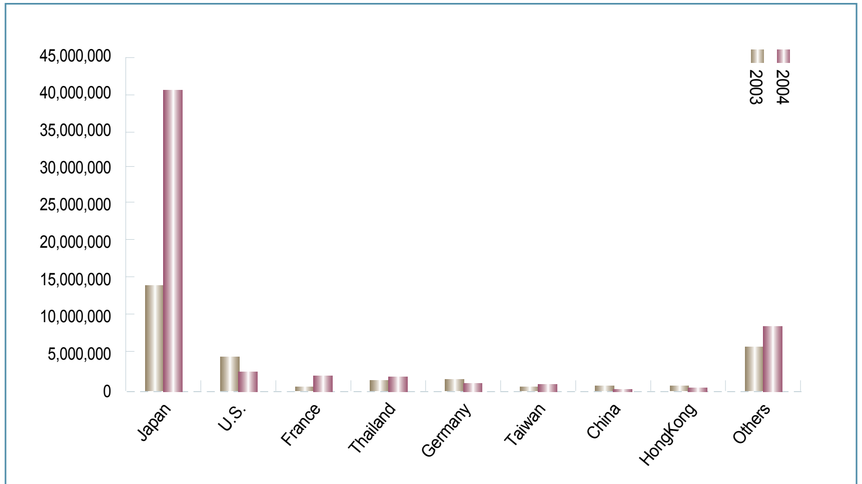
Korean Film Industry for Last 10 Years

Table 26. Korean Film Exports by Major Country in 2003-2004

(in US Dollars)

Country	Amount of Export (US$)				Growth
	2003	Market Share	2004	Market Share	
Japan	13,893,000	44.8%	40,401,000	69.3%	191%
U.S.	4,486,000	14.5%	2,361,000	4%	-47%
France	709,000	2.3%	2,084,000	3.6%	194%
Thailand	1,448,500	4.7%	1,771,500	3%	22%
Germany	1,908,500	6.2%	1,558,000	2.7%	-18%
Taiwan	906,500	2.9%	1,069,000	1.8%	18%
China	805,500	2.6%	206,000	0.4%	-74%
Hongkong	834,500	2.7%	702,000	1.2%	-16%
Others	5,987,500	19.3%	8,132,100	14%	36%
Total	30,979,000	100%	58,284,600	100%	88%

Korean Film Exports by Major Country in 2003-2004



A Review of Korean Film Industry in 2004

A Review of Korean Film Industry in 2004

1. Overview

The year 2004 kicked off with films <Silmido> and <Tae Guk Gi: The Brotherhood of War> (aka: Tae Guk Gi). It will be difficult to analyze the 2004 Korean film industry without discussing the effects of these two films. The facts that the Korean film industry has entered the age of 10 million moviegoers per film and that the 72.8% market share was dominated by Korean films during the first quarter have significantly raised the interests in Korean films. The effects of <Silmido> and <Tae Guk Gi> are major to the characteristic of the 2004 Korean film industry. However, there were those who expressed their worries about the two films' dominating 2004 Korean film industry and their wishes on more diverse films to be screened and seen.

Overall, the market share of Korean films in the Seoul area in 2004 was 54.2% (49.6% in 2003). The market share of Korean films nationwide is calculated to be 57% (53.5% in 2003). The market slowed a bit in the latter half of the year, but the numbers are still no laughing matter. A total of 82 films were produced in 2004 (80 productions in 2003). Combining the films released the previous year, a total of 78 films made it to the theaters. 201 foreign films were screened and the total number of films screened in 2004 is 279 films. The number of audiences in the Seoul area moved up by 7% compared to last year. While the audiences for Korean films increased 17% compared to last year, the audiences for foreign films declined by 2.8%. The total number of audiences throughout the country is estimated to increase by 10%, reaching around 132 million.

The export rate of Korean films in 2004 also saw a growth compared to 2003. The amount of 58 million dollars (based on contract price) was an increase of 88% compared to last year. The number of Korean films exported is expected to grow with the continued praise from international film festivals and international recognition.

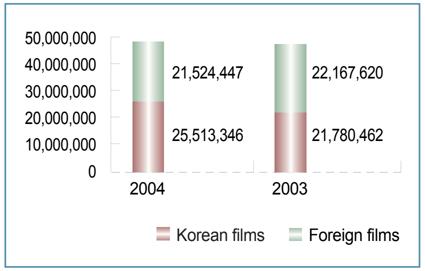
2004 saw that major companies strengthened their power by rearranging the production-distribution-screening system and that the film industry was getting more polarized.

Table 1. Total Admissions and Market share

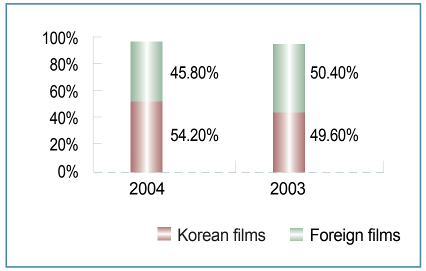
	2004					2003			
		No. of Films	Admissions in Seoul	Seoul Market Share	Rate of Increase		No. of Films	Admissions in Seoul	Seoul Market Share
Korean films	Screening	78	25,513,346	54.2%	17%	Screening	70	21,780,462	49.6%
	First Run	74	22,681,669	52.6%	10%	First Run	65	20,612,098	49.8%
Foreign films	Screening	201	21,524,447	45.8%	-2.9%	Screening	181	22,167,620	50.4%
	First Run	194	20,468,191	47.4%	-1.6%	First Run	175	20,808,347	50.2%
Total	Screening	279	47,037,793	100%	7%	Screening	251	43,948,082	100%
	First Run	268	43,149,860	100%	4.2%	First Run	240	41,420,445	100%

KOFIC calculated the admissions in Seoul, based on the materials provided by Max Movie and major distributors.
We would like to express our gratitude to the distributors for their participation.

Admissions in Seoul



Seoul Market Share



2. Admissions and Market Share by Country

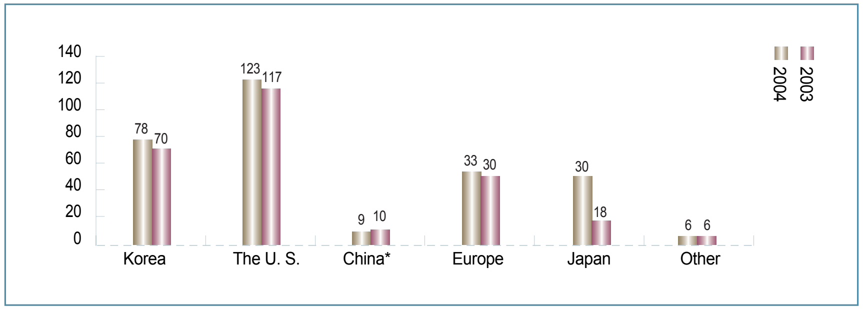
The market share combined by Korea and the US is estimated to be 95.4%. The inclination of the audience towards Korean and American films got strengthened, considering that the numbers have increased since the 93% rate in 2003. The market share for other foreign films has declined although the number of these films screened has increased. Also, the European art films failed to live up to their brand hype. After the announcement of the lift on the 4th ban at the beginning of 2004, Japanese films screened in Korea have increased from 18 of 2003 to 30 in 2004. However, if <To Cry Out for Love at the Center of the World> and <The Castle in the Sky> were not taken into account, the track record for big hits is weak for Japanese films in Korea. Other foreign films such as <I Want to be a Bear>(Denmark), <Whale Rider>(New Zealand), <Uzak>(Turkey) showed promise, but they all left the screens after just few weeks. Conversely, <Ongbak: Muaythai>(Thailand) became a surprise hit, garnering 40 thousand moviegoers. <Ongbak> is one of the films that managed to be a hit not only in Korea but also all through Asia

Table 2. 2004 Market Share by Country

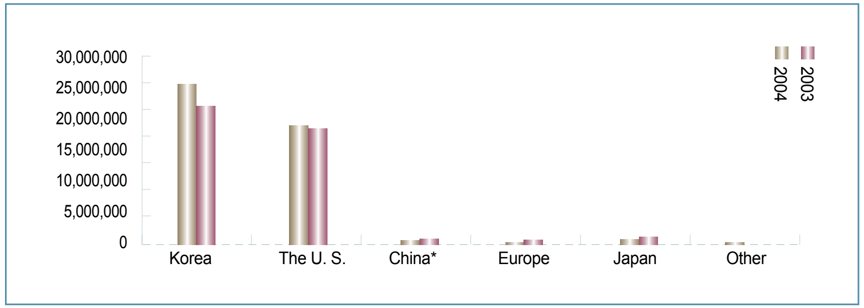
Country	Category	2004 No. of Films	2004 Admissions in Seoul	2004 Seoul Market Share	2003 No. of Films	2003 Admissions in Seoul	2003 Seoul Market Share
Korea	Screening	78	25,513,346	54.2%	70	21,780,462	49.6%
	First Run	74	22,681,669	52.6%	65	20,612,098	49.8%
The U.S.	Screening	123	19,366,071	41.2%	117	19,090,791	43.4%
	First Run	119	18,327,714	42.5%	112	17,734,260	42.8%
Direct Distribution	Screening	74	11,755,590	25%	71	11,852,060	27%
	First Run	72	11,512,196	26.7%	68	11,369,080	27.4%
Imported	Screening	49	7,610,481	16.2%	46	7,238,731	16.5%
	First Run	47	6,815,518	15.8%	44	6,365,180	15.4%
China*	Screening	9	749,287	1.6%	10	1,100,280	2.5%
	First Run	9	749,287	1.7%	10	1,100,280	2.7%
Europe	Screening	33	267,286	0.6%	30	650,097	1.5%
	First Run	33	267,286	0.6%	29	647,355	1.6%
Japan	Screening	30	973,040	2.1%	18	1,263,861	2.9%
	First Run	28	963,995	2.2%	18	1,263,861	3.1%
Others	Screening	6	168,763	0.3%	6	62,591	0.1%
	First Run	5	159,909	0.4%	6	62,591	0.2%
Total	Screening	279	47,037,793	100%	251	43,948,082	100%
	First Run	268	49,149,860	100%	240	41,420,445	100%

*China includes Hong Kong and Taiwan

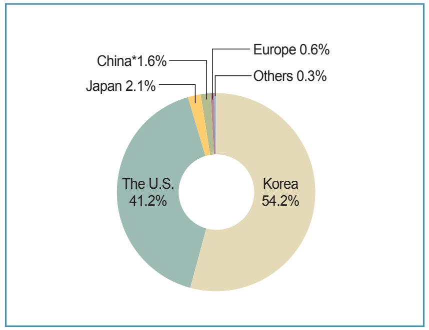
No. of Released Films by Country



Admissions in Seoul By Country



Seoul Market Share By Country in 2004



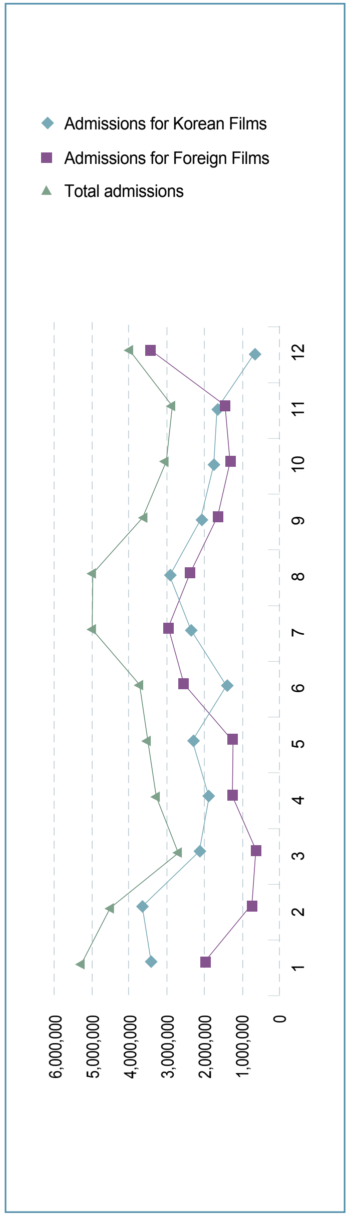
3. Admissions and Market Share by Month

2004 saw a great fluctuation in numbers of monthly moviegoers and Korean film market share. In 2003 the market share of Korean Films usually marked a 50% of monthly market share, except in October of 2003, when <Scandal> and <Hwang San Bar> opened, it surpassed 79%. In contrast, Feb. of 2004 saw an 83% monthly market share but also saw a decline of 16.5% in Dec. The high market share in Feb. was due to <Silmido> and <Tae Guk Gi> opening simultaneously and capturing 2/3 screens nationwide.

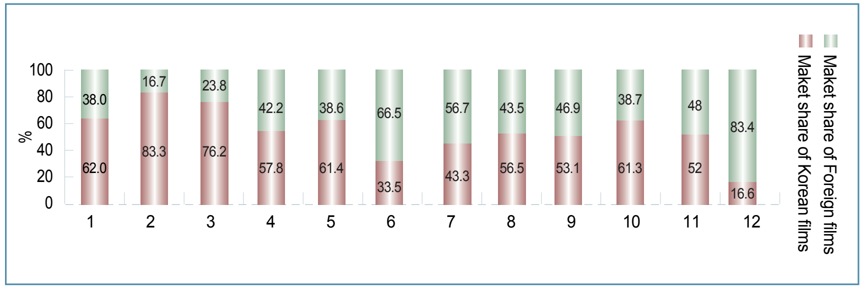
Table 3. 2004 Monthly Changes in Admission in Seoul

Category	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Admissions for Korean Films	3,277,778	3,747,332	2,064,514	1,864,357	2,203,939	1,295,703	2,222,600	2,916,758	1,972,201	1,798,454	1,470,997	678,713	25,513,346
Monthly Market Share	62.0	83.3	76.2	57.8	61.4	33.5	43.3	56.5	53.1	61.3	52	16.6	54.2%
Quarterly Market Share		72.8			50.2			50.8			40.1		
Market Share for a Half Year				62.4						46.3			
Admissions for Foreign Films	2,004,725	748,944	646,551	1,362,286	1,386,787	2,569,530	2,908,373	2,246,720	1,741,052	1,136,319	1,358,471	3,414,689	21,524,447
Monthly Market Share	38.0	16.7	23.8	42.2	38.6	66.5	56.7	43.5	46.9	38.7	48	83.4	45.8%
Quarterly Market Share		27.2			49.8			49.2			59.9		
Market Share for a Half Year				37.6						53.7			
Total	5,282,503	4,496,276	2,711,065	3,226,643	3,590,726	3,865,233	5,130,973	5,163,478	3,713,253	2,934,773	2,829,468	4,093,402	47,037,793

Monthly Changes in Admissions



Monthly Market Share



4. Distribution

The market share of distributors in 2004 showed a change. For the past several years, the box office leaders were CJ Entertainment and Cinema Service. But 2004 saw that Showbox emerged as one of the three major distributors. With films like <Tae Guk Gi> and <The Big Swindle>, Showbox captured the number two spot in Korean film market share and overall market share, paving the way for a new era of distribution.

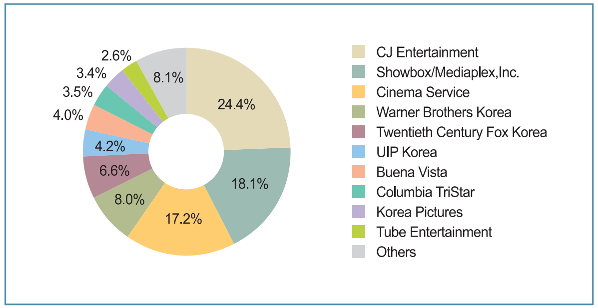
By this, major film companies such as CJ, Orion, and Lotte, which jumped into the film industry, focusing on multiplex theaters, are getting more power over the investment-distribution-screening system. CJ Group with CJ Entertainment and CGV theaters, and Orion Group with Showbox and Megabox theaters keep rearranging their businesses vertically, while Lotte Cinema seeks to diversify its businesses by extending into investment and distribution.

CJ Entertainment especially took advantage of the high number of seats sold at their own CGV theaters, distributing a total of 36 films while grasping a total share of 24.4% of the market. In the Korean film market, Cinema Service, 29.3% and Showbox, 28.6%, lead CJ Entertainment. This of course is thanks to <Silmido> and <Tae Guk Gi>, released by the respective companies.

Table 4. 2004 Market Share by Distributors

	Distributors	No. of Films	Admissions in Seoul	Market Share
All Films				
	CJ Entertainment	36	11,486,071	24.4%
	Showbox/Mediaplex,Inc.	20	8,509,063	18.1%
	Cinema Service	22	8,103,502	17.2%
	Warner Brothers Korea	11	3,752,862	8%
	Twentieth Century Fox Korea	18	3,127,030	6.6%
	UIP Korea	13	1,952,862	4.2%
	Buena Vista	22	1,863,431	4%
	Columbia TriStar	20	1,625,393	3.5%
	Korea Pictures	5	1,593,335	3.4%
	Tube Entertainment	10	1,230,347	2.6%
	Others	102	3,821,211	8.1%
	Total	279	47,065,107	100%
Korean Films				
	Cinema Service	17	7,463,857	29.3%
	Showbox/Mediaplex,Inc.	13	7,298,364	28.6%
	CJ Entertainment	18	6,390,090	25%
	Korea Pictures	3	1,573,472	6.2%
	Chungeorahm Film	6	1,030,586	4%
	Others	21	1,755,632	6.9%
	Total	78	25,512,001	100%
Foreign Films				
	CJ Entertainment	18	5,095,981	23.6%
	Warner Brothers	11	3,752,862	17.4%
	Twentieth Century Fox Korea	18	3,127,030	14.5%
	UIP Korea	13	1,952,862	9.1%
	Columbia TriStar	19	1,622,778	7.5%
	Buena Vista	21	1,562,109	7.2%
	Others	101	4,439,484	20.6%
	Total	201	21,553,106	100%

2004 Market Share by Distributors



5. Exhibition

The biggest indicator of change in the industry in 2004 was the increase of screens. The official numbers have not been released from the National Theater Association, but at the end of 2004, the number of screens nationwide already surpassed 1,400 screens (1,132 at the end of 2003). The 507 screens from 1998 had tripled in 6 years. With audiences steadily influencing the box office numbers, multiplex chains like CGV, Megabox, and Lotte Cinema are expected to continue to increase the number of screens through 2005. Also, as the theaters become branded, medium theaters such as the Seoul Theater and Central Cinema (CINUS) attempt to make their own networks.

According to the business plans of each of the multiplex companies, the total number of screens nationwide will reach around 1,800 by the end of 2005. Also, they are estimating an increase of 300 screens in 2006, bringing the total number of screens to 2,000. In reality, these numbers will be adjusted, but the increase will be huge is a fact. Multiplex theaters' effect on the industry is large as they changed the environment of the theaters to accommodate the moviegoers for a better movie going experience. But the dangers of excessive increase of screens to the industry must be recognized. This is because of the sudden surge of constructions. If one multiplex is built or remodeled, about 10 screens will be added.

Table 5. 2005 Number of Multiplex Theaters Planned*

Category	Megabox	Lotte Cinema	CGV	Primus	Other Chains and Theaters	Total
No. of Theaters	6	10	6	10	19	51
No. of Screens	46	80	48	80	150	404

The above data has been collected by the Korean Film Council.

6. Box Office Top 10

When analyzing the box office top 10 for 2004, <Tae Guk Gi> and <Silmido> took the one and two spots respectively in the top three. Five Korean films were in the top 10 in 2004, while seven Korean films were in the top 10 in 2003. The interest of note here is that of the top 10 foreign films, five of them were sequels such as <Harry Potter 3> and <Spiderman 2>. The same phenomenon occurred in 2003.

When Korean box office hits are analyzed, it can be said that there were a lot of genre films released last year. Films like <Spirit of Jeet Kun Do: Once Upon a Time in High School> that captures the films of yore, the well structured thriller <The Big Swindle>, a clever variation of the romantic comedy <My Little Bride>, a film that examines history through a character's personal life in <President's Barber> are some of the examples. Not only did the influence of mafia and romantic comedies decrease in 2004, but horror films and films based on Internet novels became prominent. As for the diversity of genres, action blockbusters, comedies, thrillers, and horror genres are evenly dispersed.

Although no relation to the box office hits, the production and opening of <Repatriation> is amazing given the fact that the market is geared towards high concept commercial films. Even though this film opened in only eight screens and garnered 23,496 audiences in 2004, its significance is no small feat. It's the first film that Art Plus and Indie Story co-distributed, showing the possibility of an alternative way of distribution.

Table 6. 2004 Box Office Top 10*

Box Office Top 10

Order	Title	Admissions in Seoul	Admissions Nationwide
1	Tae Guk Gi	3,509,563	11,746,135
2	Silmido	3,264,000	11,081,000
3	Troy	1,513,408	3,851,000
4	Shrek 2	1,285,594	3,300,533
5	Spirit of Jeet Kun Do: Once Upon a Time in High School	1,023,601	3,115,767
6	The Day After Tomorrow	959,010	3,006,400
7	The Passion of the Christ	940,230	2,523,700
8	Harry Potter and the Prisoner of Azkaban	892,900	2,532,000
9	My Little Bride	876,600	3,149,500
10	Moment to Remember	797,593	2,890,000

Top 10 Korean Films

Order	Title	Admissions in Seoul	Admissions Nationwide
1	Tae Guk Gi	3,509,563	11,746,135
2	Silmido	3,264,000	11,081,000
3	Spirit of Jeet Kun Do: Once Upon a Time in High School	1,023,601	3,115,767
4	My Little Bride	876,600	3,149,500
5	Moment to Remember	797,593	2,565,078
6	The Big Swindle	776,898	2,129,358
7	Arahan	756,000	2,050,000
8	Ghost House	751,340	2,890,000
9	My Brother	699,725	2,479,585
10	The President's Barber	661,957	1,972,377

Top 10 Foreign Films

Order	Title	Admissions in Seoul	Admissions Nationwide
1	Troy	1,513,408	3,851,000
2	Shrek 2	1,285,594	3,300,533
3	The Day After Tomorrow	959,010	3,006,400
4	The Passion of the Christ	940,230	2,523,700
5	Harry Potter and the Prisoner of Azkaban	892,900	2,532,000
6	Spiderman 2	771,915	2,367,704
7	The Phantom of the Opera	704,039	1,782,651
8	The Lord of the Rings: The Return of the King	684,022	5,960,000
9	Bridget Jones: The Edge of Reason	613,000	1,462,000
10	I, Robot	586,098	1,777,470

The ranks are based on admissions in Seoul and the number of admissions nationwide is from the first run date to 12/31/2004.

7. Average Production Cost and Box Office Take of Korean Film

The average of Korean film production costs has been estimated to be around 4.3 billion Won. That's a slight increase from the 4.16 billion Won in 2003. However, after excluding 5% of the highest and the lowest production cost films, the average production cost of films is 4 billion Won. The highest production cost for a film is 6 billion Won and the number of big productions have decreased compared to last year. The production cost of <Tae Guk Gi>, 200 million dollars, inflated the average production costs of others films. The relatively slow growth of the production costs can be linked to the sudden rise in the production costs and the lessons learned from failed blockbusters and are a testament that the industry is showing signs of general control over production costs per film. Through scheduling and budgeting, we hope for a reasonable production process.

A Review of Korean Film Industry in 2004

Lets take a look at the total number of tickets sold for Korean films nationwide in 2004. If we project the admissions nationwide to be 132 million, Korean film market share 57%, average cost of tickets 6,370 won, in 2004 Korean film industry put a total of 352.6 billion Won (of which average production cost of 4.3 billion won and total of 82 films produced) into production of films and brought back 479.3 billion Won. Just as it was indicated in the report "Analyzing and projecting growth of the Korean Film Industry", the Korean film industry is heavily dependent on blockbusters. 2004 was a year that reinforced this finding. The blockbusters are significant in that they not only bring new audiences and expanded the market, but also greatly expand the lowest stratum of the industry. However, the reliance on the blockbusters is the proof of an unstable industry. In 2004, discussions on cultural diversity and on how small films could meet audiences were triggered by the structure of current film industry, which is centered on by blockbusters.

For the structure of Korean Film industry to be stabilized, new audiences should be nurtured and a reasonable business model settled in the long terms. It is time to have a long-term view towards the investment risk in the cultural industry and the fluctuation of the economic cycles.

8. Korean Films Export Result

Following a strong year in 2003, Korean films' export results[1)] maintained its tremendous growth in 2004. According to the Korean Film Council (KOFIC)'s accumulated statistics, which is based on data from international sales companies, 194 Korean films were exported to 62 countries worldwide, totalling US$58,284,600 of standardized contract prices. The total number of Korean films exported amounted to 194, which has steadily increased in recent years. The average export price garnered for each film is US$ 300,436 which also continued a significant upward trend.

In terms of the 2004 export results of Korean films by region, the proportion of exports to Asia is overwhelmingly higher than the percentage of exports to North America and Europe, which shows a significant increase from the previous year. Meanwhile, a positive phenomenon is that the proportion of exports to Oceania has been significantly increasing, implying that the export market for Korean films is being energetically pursued in this region.

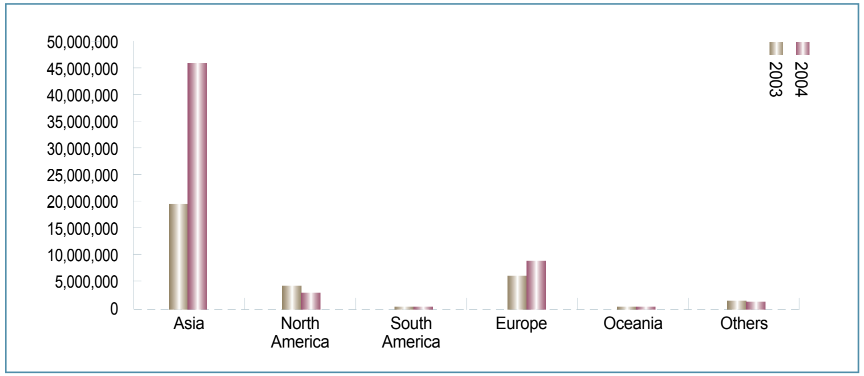
1) These accumulated statistics tabulated by KOFIC are based on contract prices, and all data was provided by individual international sales companies. Thus, there may exist considerable differences between these figures and actual receipts. KOFIC is working to improve the procedure and standards of its accumulated statistics. The data from international sales companies were provided on condition that no specific details regarding the prices paid per film or per company would be released to the public.

Table 7. Korean Film Exports by Region: 2003-2004

(Unit: US$)

Region	Amount of Export				Variation From 2003
	2003	Market Share	2004	Market Share	
Asia	19,024,000	61.4%	45,327,500	77.8%	138%
North America	4,486,000	14.5%	2,900,000	5%	-35%
South America	82,500	0.2%	141,500	0.2%	72%
Europe	5,724,000	18.5%	8,245,250	14.1%	44%
Oceania	30,000	0.1%	152,850	0.3%	410%
Others	1,632,500	5.3%	1,517,500	2.6%	-7%
Total	30,979,000	100%	58,284,600	100%	88%

2004 Korean Film Export Results in Comparison with 2003 (Unit: US$)



The Korean film export results from 2004 divided by country show that the share of total exports accounted for by Japan is 69 percent, with export figures increasing by 191 percent compared to 2003. However, despite the fact that two Korean films <Spring, Summer, Fall, Winter.... And Spring> and <Tae Guk Gi>[2)] , were successfully brought and released in the US market, the overall amount of exports to the US has decreased by 47 percent from 2003. Furthermore, the export results of Korean films in China, including Hong Kong, have also decreased.

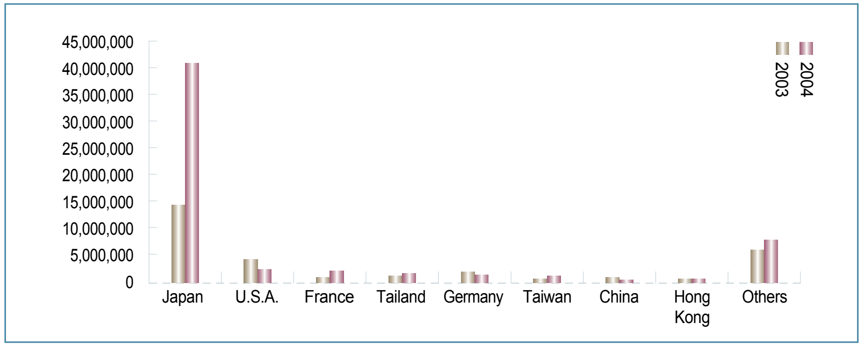
2) <Spring, Summer, Fall, Winter...And Spring> was released on April 2 in New York and Los Angeles, and as more screens were gradually added over a period of 20 weeks, the film earned a gross of $2.5 million. <Tae Guk Gi> was released on September 3 on 35 screens in 6 cities, and earned $1.2 million over a period of 6 weeks.

Table 8. Korean Film Export Results of 2004 in 8 Major Countries Compared to 2003

(Unit: US$)

Country	Amount of Export				Variation From 2003
	2003	Market Share	2004	Market Share	
Japan	13,893,000	44.8%	40,401,000	69.3%	191%
U.S.A.	4,486,000	14.5%	2,361,000	4%	-47%
France	709,000	2.3%	2,084,000	3.6%	194%
Thailand	1,448,500	4.7%	1,771,500	3%	22%
Germany	1,908,500	6.2%	1,558,000	2.7%	-18%
Taiwan	906,500	2.9%	1,069,000	1.8%	18%
China	805,500	2.6%	206,000	0.4%	-74%
Hong Kong	834,500	2.7%	702,000	1.2%	-16%
Others	5,987,500	19.3%	8,132,100	14%	36%
Total	30,979,000	100%	58,284,600	100%	88%

Status of Korean Films Exports in 8 Major Countries (Unit: US$)



Korean films' export results in major countries in 2004 indicate that a large portion of films' profit margins emanate from one country, Japan. It is a centralized phenomenon. For instance, the fact that Korean films such as <Silmido>, <Tae Guk Gi>, <Untold Scandal>, and <Everybody has Secrets> received such wide releases in Japan points to the outstanding success of the Korean Wave (Hallyu-the name ascribed to the strong popularity of Korean entertainment across Asia). In addition, films such as <Bunshinsaba>, <A Bittersweet Life>, and <A Thousand Plateaux> have attracted investment or export deals even before being completed. The export price per film now ranges from US$ 1,000,000 to US$ 3,000,000, which is a significant increase over previous years.

The 2004 Korean film export results for countries besides Japan amount to US$17,883,600, which have not significantly increased compared to 2003 (US$ 17,086,000). However, another positive phenomenon is that exports to Thailand have increased at a steady pace. Korean films have also become more adroit at drawing interest from the general populace, which has in turn resulted in increased success at the box office in many foreign markets. In addition to the expansion of European markets, films such as <Old Boy>, <Samaritan Girl>, and <3-Iron> were selected to the world's three most prestigious festivals, which created a positive buzz in 2004. With the overall amount of Korean film exports to the European market on a steady upward trend, it is truly a welcoming sign of optimism for Korean films in Europe's film industries.

The continued release of Korean films in Japan acknowledges their strong presence in Japan's film industry, but having exports so centralized in one country is viewed as a questionable trend. Also the increase in the price paid per film is burdening Japanese distributors for the added cost of releasing films. These factors can act as stumbling blocks for the future export of Korean films to Japan.

In conclusion, we have to focus on assisting with the release and marketing of Korean films in individual export markets, as well as developing new markets and methods of exporting to effectively support the current upward trend of Korean films' presence in foreign film industries.

9. First Run Chart of Korean Films in 2004

Table 9. Admissions of Korean Films Released in 2003

No.	Title	Production	Seoul Admissions	Nationwide Admissions
Previously Released 1	Old Boy	Show East Co.	1,188,417	3,269,000
Previously Released 2	Happy Naked Christmas	Tube Entertainment	212,763	726,783
Previously Released 3	Silmido	Cinema Service	3,264,000	11,081,000
Previously Released 4	Lost in the South Mission: Going Home	Showbox Mediaplex, Inc.	244,631	764,567
1	Spirit of Jeet Kun Do: Once Upon a Time in High School	Sidus Corporation	1,023,601	3,115,767
2	100 Days with Mr. Arrogant	Poibos	351,500	1,513,000
3	Ice Rain	Koo & Film	81,040	216,676
4	Au Revoir, UFO	Uri Film	65,000	180,513
5	Spy Girl	M3 Entertainment	32,884	137,413
6	Tae Guk Gi	KangjeGyu Film	3,509,563	11,746,135
7	Magic Police Galgari and Okdongja	To To Entertainment	2,615	18,346

No.	Title	Production	Seoul Admissions	Nationwide Admissions
8	A Smile	Miso Films	613	1,500
9	Too Beautiful to Lie	SeaSun Film	374,000	1,204,000
10	Mokpo, Gangster's Paradise	KiHweck ShiDae	382,100	1,795,700
11	Desire	Myung Film	622	1,150
12	Samaritan Girl	Kim Ki-Duk Film	61,972	172,000
13	Who Got the Tape?	CK Pictures	127,023	545,735
14	Mr. Handy	Zenith Entertainment	41,000	830,000
15	Repatriation	Purn Production	19,284	23,496
16	Dance with Solitude	Masulpiri Pictures	13,459	34,349
17	When I Turned Nine	HwangKiSung Films	129,800	353,000
18	Father and Son: Story of Mencius	Corea Entertainment	227,675	860,044
19	The Wolf Returns	Genesis Pictures	51,624	158,727
20	My Little Bride	Culture Cap Media	876,600	3,149,500
21	Dance With the Wind	Film Mania	112,463	266,000
22	The Big Swindle	Sidus Corporation	776,898	2,129,358
23	Liar	C & Film	65,843	220,531
24	Arahan	Fun&Happy Film	756,000	2,050,000
25	Woman is the Future of Man	Mirashin Korea	134,317	284,872
26	The President's Barber	Chungeorahm Film	661,957	1,972,377
27	Low Life	Taehung Pictures	196,000	550,000
28	Clementine	Pearl Star Pictures	35,013	67,000
29	Windstruck	I Film	659,380	2,199,359
30	Face	Taewon Entertainment	135,000	474,000
31	The Ghost	Popcorn Film	288,631	1,108,769
32	Someone Special	Film It Suda	390,000	838,000
33	A Wacky Switch	White Lee Entertainment	52,000	342,300
34	My Mother, the Mermaid	Now Film	258,368	661,679
35	Hi, Darma 2 – Showdown in Seoul	KM Culture	327,000	1,272,000
36	Two Guys	Boram Pictures	251,859	931,000
37	How to Keep My Love	May Film	418,579	1,083,556
38	The Guy was Cool	B.M Film	160,000	800,000
39	Romance of Their Own	Sidus Corporation	610,971	2,189,453
40	Spinkick Soundtrack	Cine 2000	20,539	69,000
41	Mateo	Dongwoo Animation	90,000	125,000
42	Everybody has Secrets	Taewon Entertainment	346,150	896,000
43	The Doll Master	Pilma Pictures	55,000	339,038
44	Hypnotized	I Film	181,984	520,753
45	Bunshinsaba	I Post Pictures	301,322	1,001,125
46	Love, So Divine	KiHweck ShiDae	314,772	1,242,476

No.	Title	Production	Seoul Admissions	Nationwide Admissions
47	Hammer Boy	KTB Network	12,320	47,502
48	Fighter in the Wind	IVision Entertainment	634,897	2,346,446
49	To Catch a Virgin Ghost	Hanmac Films	552,286	1,987,380
50	Three Monsters	B.O.M., Applause Pictures, Kadokawa Pictures	107,960	281,540
51	R Point	C & Film	540,000	1,689,000
52	Spider Forest	OAK Film	33,847	83,411
53	A Family	Tube Pictures	545,909	1,932,304
54	Don't Tell Papa	KiHweck ShiDae	151,938	880,744
55	Thomas Ahn Jung-geun	Source One Production	20,000	50,000
56	Mr. Gam's Story	Sidus Corporation	330,396	834,706
57	Ghost House	Cinema Service	751,340	2,890,000
58	Spring Time	Siz Entertainment	232,771	717,618
59	My Brother	CJ Entertainment	699,725	2,479,585
60	3-Iron	Kim Ki-Duk Film	34,121	94,928
61	S Diary	I Film	489,706	1,531,840
62	Some	C & Film	102,894	346,000
63	Scarlet Letter	Showbox Mediaplex,Inc.	489,254	1,437,549
64	A Moment to Remember	Sidus Corporation	797,593	2,565,078
65	Lovely Rivals	Fun&Happiness Film	299,813	1,175,580
66	DMZ	Lee Gyu-hyung Cinema	34,487	167,652
67	So Cute	Tube Pictures	22,253	74,905
68	Flying Boys	Fun&Happiness Film	31,871	114,478
69	None of Your Cheek	JU Network	60,463	255,967
70	My Generation	Cinema Network	2,588	2,702
71	Rikidozan	Sidus Corporation	384,318	1,249,794
72	New Royal Secret Commissioner	DaeWon C&A Holdings /Character Plan	20,345	56,709
73	Marrying School Girl	The Zone Film	6,743	93,939
74	Shinsukki Blues	Popcorn Film	18,465	71,805

The numbers for admissions nationwide is from the first run date to 12/31/2004.
We would like to express our gratitude to the distributors for their participation in researching the admissions for Seoul and nationwide.
The total screening list for 2004 can be found at http://www.koreanfilm.or.kr/statistics/observatory.asp

Global Film Industry and Korea

Global Film Industry and Korea

As a means of assessing the standing of the Korean film industry within the global film market, and of securing the information needed to assure its sustainable development, this section undertakes an analysis of the present state of the global film industry and of the size of the film market in the so-called 'major countries'. To this end, the size of the global film industry, as well as prevailing trends, are investigated using basic indicators such as the number of films produced, total film admissions, box office revenues, home video (VHS/DVD) sales & rentals, and the size of the overall film market. Thereafter, the film industries of major countries are compared, by using these basic indicators.

The following criteria are used to select the 10 countries identified as the major countries in this research; the United States, England, France, Germany, Spain, Italy, Japan, India, Australia, and Korea. The countries not only have to finish in the top ten in terms of total box office revenues, but also have to boast a domestic film industry of a certain scale. Thus, despite faring well in terms of overall box office revenues, Canada is excluded from this research because domestic films account for less than 2% of the domestic market. Lastly, this section compares the size of national film market of the selected countries and assesses the Korean film industry's global standing.

The lack of consistent statistical data and the contradictions contained in the information available make the comparison of data very difficult. This section makes use of statistical data published by the relevant countries on their respective film industries, for the most important reference. Thus, *US Entertainment Industry: 2003 MPA Market Statistics* published by the MPA (Motion Picture Association) was used for pertinent statistical data related to the U.S. film industry; the *Statistical Yearbook 2002 and 2003* put out by the UK Film Council was employed for England; the *CNC Info: Results 2003* published by the CNC (Centre National de la Cinematographie) for France; the statistical data published by the FFA (German Federal Film Board) for Germany; *Analysis of the Spanish film Industry; 1996-2002* published by the ICAA (Instituto de la Cinematografia y de las Artes Audiovisuales) for Spain; the annual statistical data put out by the ANICA (Associazione Nazionale Industrie Cinematografiche Audiovisive E Multimediali) was employed for Italy; the statistical data collected by the AFC (Australian Film Commission) was used for Australia, and the *Korean Cinema Yearbook* published by the Korean Film Council was referred to for the Korean case.

However, in cases such as Japan and India, which do not publish any official statistical data, or where a particular country's annual data for a certain category was missing, this report referred to materials such as *Entertainment & Media Outlook: 2004-2008*, published by PricewaterhouseCoopers; *CNC Info: Results* 2003; the European Audiovisual Observatory's *2003 Yearbook and 2004 Yearbook Vol. 3: Film and Home Video, Focus 2004: World Film Market Trends*; and issues of the *Newsletter* published by the Screen Digest. Moreover, these sources were also employed to conduct the analysis of the global film industry's size as well as the present state of regional film industries.

The country comparison was carried out by converting the respective national currencies into dollars, using the average exchange rate for the relevant year. The average exchange rate for each country was calculated based on figures taken from *International Financial Statistics* published annually by the International Monetary Fund (IMF) and the Bank of Korea's data on the economic trends in major markets.

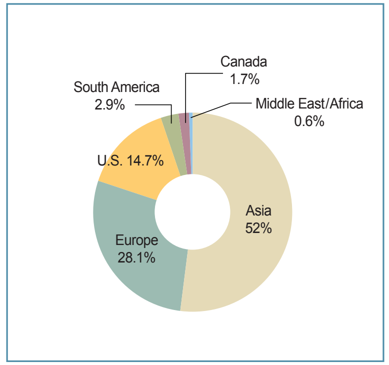
1. Present State of the Global Film Industry

This part will analyze the state of the global film industry from 1999-2003, as well as the prevailing trends, using materials such as the number of films produced, total film admissions, box office results, and home video (VHS/DVD) sales & rentals.

1.1 Film Production

Globally, some 4,000 films were produced in 2003. At the regional level, Asia, when India is included, produced 52%, while Europe accounted for 28.1%, and the U.S. 14.7%.

Regional Share of Film Production in 2003



The number of films produced at the global level gradually increased from 1999 to 2003. From a regional standpoint, Asia and Europe experienced a remarkable increase in terms of the number of film production; meanwhile, film production in the U.S underwent a small decrease over this period.

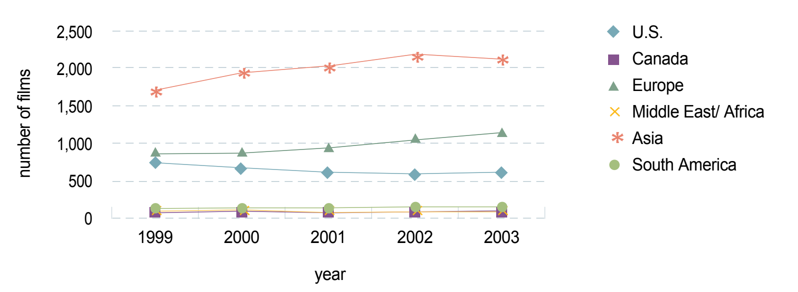
As a result, while the ratio of films produced in Asia and Europe increased, the ratio of films produced in the U.S. exhibited a downward trend. However, this situation began to show signs of changing in 2002, with these changes becoming more pronounced in 2003.

Table 1. Global Feature Film Production

Region	1999	2000	2001	2002	2003	5 year average
U.S.	758	683	611	543	593	638
Canada	60	72	59	66	69	65
Europe	882	917	960	1,073	1,131	993
Middle East/Africa	28	39	26	17	25	27
Asia	1,738	1,937	2,019	2,188	2,094	1,995
South America	90	89	88	100	118	97
Global	3,556	3,737	3,763	3,987	4,030	3,815

Source: MPA, Screen Digest July 2003; June 2004

Global Feature Film Production Trends

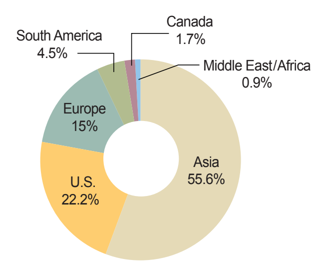


1.2 Film Admissions

An estimated 7.089 billion people around the world went to see movies in 2003. From a regional standpoint, some 3.9 billion film admissions were sold in Asia, which amounted to 55.6% of overall global admissions. Moreover, while 1.57 billion film admissions were sold in the U.S., good for 22.2% of the overall total, Europe only accounted for 15%.

While overall, the number of global film admissions has grown by an annual average of 1.6% over the last five years, the actual rate of growth has actually decreased every year, with negative growth even exhibited in 2003. Film admission trends have varied greatly from region to region. As such, while the number of North American and European moviegoers increased significantly in 2001 and 2002, the number of Asian moviegoers actually decreased during this period. Conversely, while the number of moviegoers in North America, Europe, Middle East/Africa, and South America decreased in 2003, the Asian region saw an increase in admissions.

Regional Share of Global Film Admissions in 2003



A closer look at regional trends, in terms of global film admissions over the period under study, reveals that Asian film admissions have continuously accounted for in excess of 50% of total global film admissions. However, the share of overall admissions made up by Asian moviegoers experienced a drop after 2000, while U.S. and European moviegoers' share of overall admissions slowly increased over the same period.

As such, as there have been no radical changes in total global film admissions, regional growth rates and global admissions ratios have remained mostly steady.

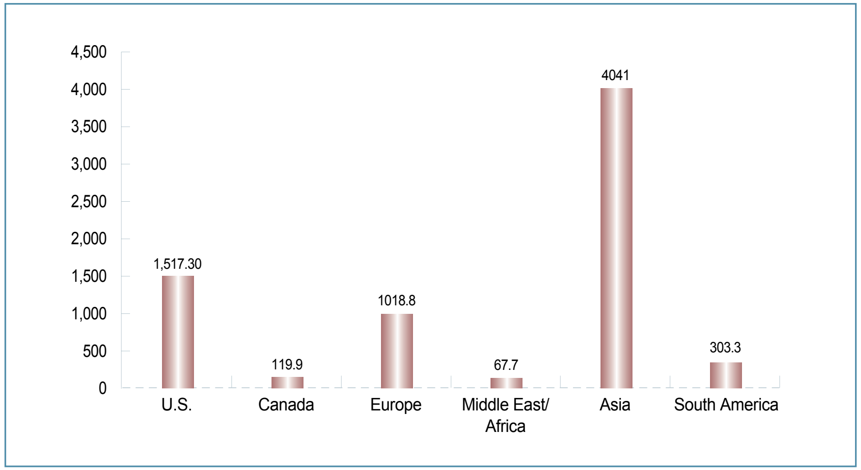
Table 2. Trends in the Number of Global Film Admissions by Region

(million people, %)

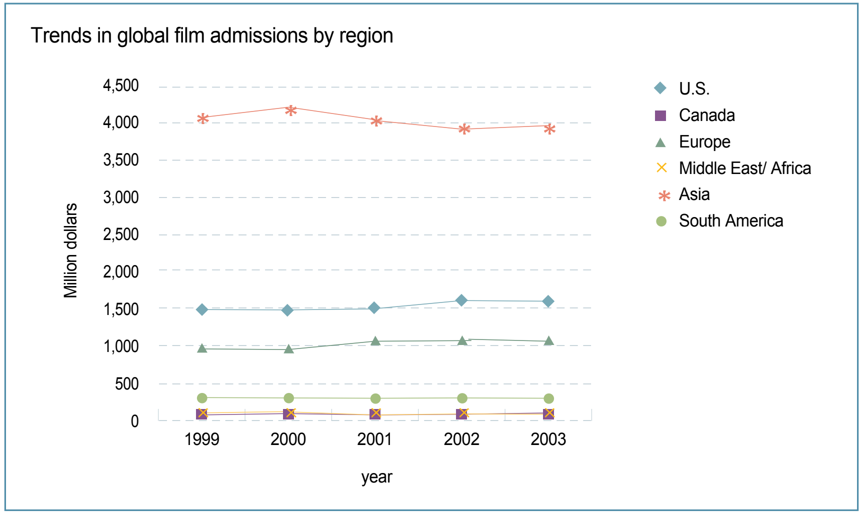
Section		1999	2000	2001	2002	2003	5 year average
U.S.	Admissions	1,465.2	1,420.8	1,487.4	1,639.3	1,574.0	1,517.3
	Growth	-1%	-3%	4.7%	10.2%	-4%	1.4 %
	Share of Total	21.1%	20.1%	20.9%	22.9%	22.2%	21.5%
Canada	Admissions	111.5	114	123	128	123	119.9
	Growth	4.6%	2.2%	7.9%	4.1%	-3.9%	3%
	Share of Total	1.6%	1.6%	1.7%	1.8%	1.7%	1.7%
Europe	Admissions	922.6	945.1	1,074.1	1,087.4	1,064.8	1,018.8
	Growth	-2.4%	2.4%	13.6%	1.2%	-2.1%	2.6%
	Share of Total	13.3 %	13.4%	15.1%	15.2%	15%	14.4%
Middle East/ Africa	Admissions	74.5	70.8	68.7	62.5	62	67.7
	Growth	12.9%	-5%	-3%	-9%	-0.8%	- 1%
	Share of Total	1.1%	1%	1%	0.9%	0.9%	1%
Asia	Admissions	4,083	4,230	4,047	3,901	3,944	4,041
	Growth	9.8%	3.6%	-4.3%	-3.6%	1.1%	1.3%
	Share of Total	58.9%	59.8%	56.9%	54.6%	55.6%	57.2%
South America	Admissions	274.5	288	307	325	321.8	303.3
	Growth	7.5%	4.9%	6.6%	5.9%	-1%	4.8%
	Share of Total	4%	4.1%	4.3%	4.5%	4.5%	4.3%
Global Total	Admissions	6,931.3	7,068.7	7,107.2	7,143.2	7,089.6	7,068
	Growth	5.5%	2%	0.5%	0.5%	-0.8%	1.6%
	Share of Total	100%	100%	100%	100%	100%	100%

Source: MPA 2004, PWC 2004, 2002, Screen Digest

Five Year Average Film Admissions by Region

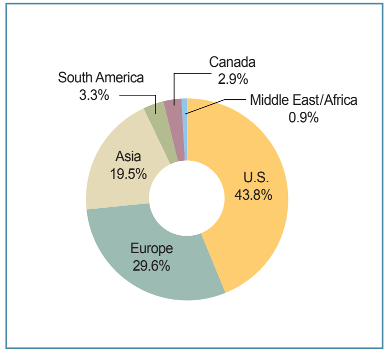


Global Film Admission Trends by Region



1.3 Box Office Results

Regional Share of Global Box Office Revenues in 2003



Global box office revenues for 2003 have been estimated at 21.68 billion dollars. The U.S. came in first in this category, with some 9.5 billion dollars earned at the box office, which was good for 43.8% of the global total, while Europe came in second with 6.4 billion dollars in box office revenues and 29.6% of the global total. However, Asia, which accounts for in excess of 50% of global totals in terms of the number of films produced and film admissions, only brought in 4.2 billion dollars in box office revenues, good for only 19.5% of global box office revenues.

Unlike global film admissions, global box office revenues have increased significantly, growing by some 6.3% over the last five years. The regions that have led the way in terms of this growth in global box office revenues have been the U.S., Canada, and Europe, who experienced 6.5%, 10.7%, and 8.8% growth respectively over this five year period. Meanwhile, the growth in Asian and South American box office revenues was limited to 3.2%, and 3.4% respectively over the same period.

The North American and European regions experienced their largest single year growth with regards to box office revenues in 2002, while in the case of Asia and Middle East/ Africa it was 2001. However, most regions experienced some sluggishness or even negative growth in 2003.

Regional shares of overall box office revenues have for the most part remained relatively unchanged over the last five years, with the U.S. averaging 42%-43%, Europe 29%-30%, and Asia 19%-20%.

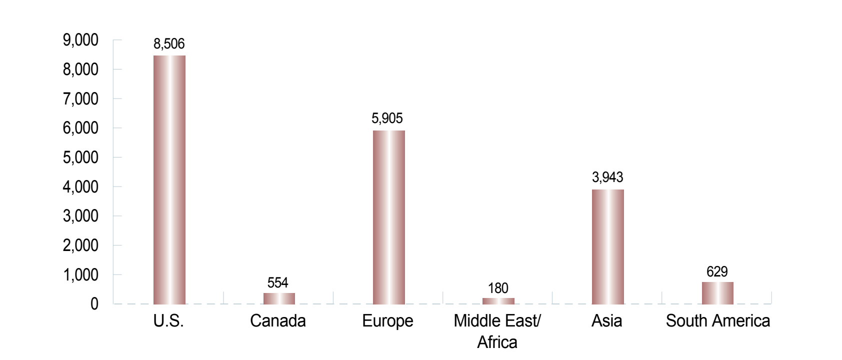
Table 3. Global Box Office Revenue Trends

(million dollars, %)

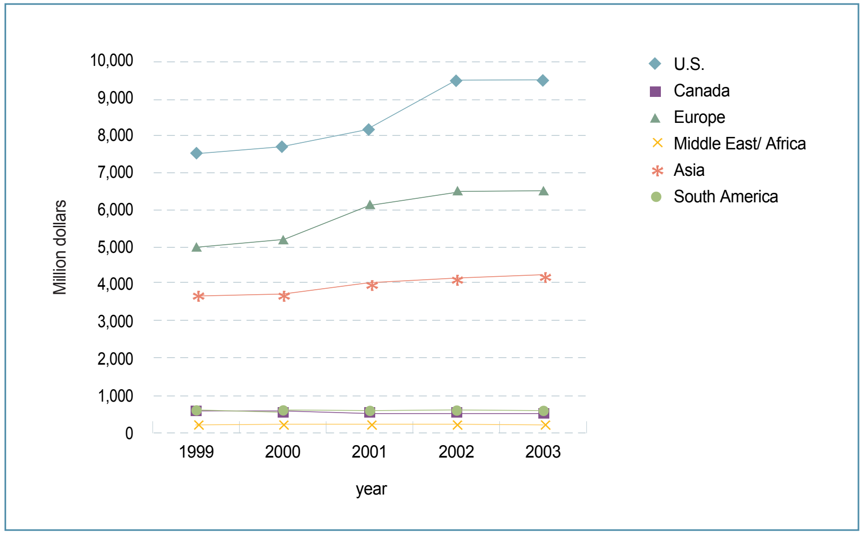
Section		1999	2000	2001	2002	2003	5 year average
U.S.	Box office	7,448	7,661	8,413	9,520	9,489	8,506
	Growth	7.2%	2.9%	9.8%	13.2%	- 0.3%	6.5%
	Share of Total	43.1%	42.8%	42.1%	43.8%	43.8%	43.1%
Canada	Box office	469	485	545	635	636	554
	Growth	20.9%	3.4%	12.4%	16.5%	0.2%	10.7%
	Share of Total	2.7%	2.7%	2.7%	2.9%	2.9%	2.8%
Europe	Box office	5,076	5,388	6,144	6,503	6,413	5,905
	Growth	19.3%	6.1%	14.0%	5.8%	- 1.4%	8.8%
	Share of Total	29.3%	30.1%	30.7%	30%	29.6%	29.9%
Middle East/ Africa	Box office	177	160	179	187	195	180
	Growth	- 18.1%	- 9.6%	11.9%	4.5%	4.3%	- 1.4%
	Share of Total	1%	0.9%	0.9%	0.9%	0.9%	0.9%
Asia	Box office	3,620	3,623	4,080	4,159	4,234	3,943
	Growth	- 0.3%	0.1%	12.6%	1.9%	1.8%	3.2%
	Share of Total	20.9%	20.2%	20.4%	19.2%	19.5%	20.1%
South America	Box office	509	580	633	707	716	629
	Growth	- 19.1%	13.9%	9.1%	11.7%	1.3%	3.4%
	Share of Total	2.9%	3.2%	3.2%	3.3%	3.3%	3.2%
Global box office revenues		17,299	17,897	19,994	21,711	21,683	19,716
Overall rate of growth		7.7%	3.5%	11.7%	8.6%	- 0.1%	6.3%
Share of Total		100%	100%	100%	100%	100%	100%

Source: MPA 2004, PWC 2004, 2002

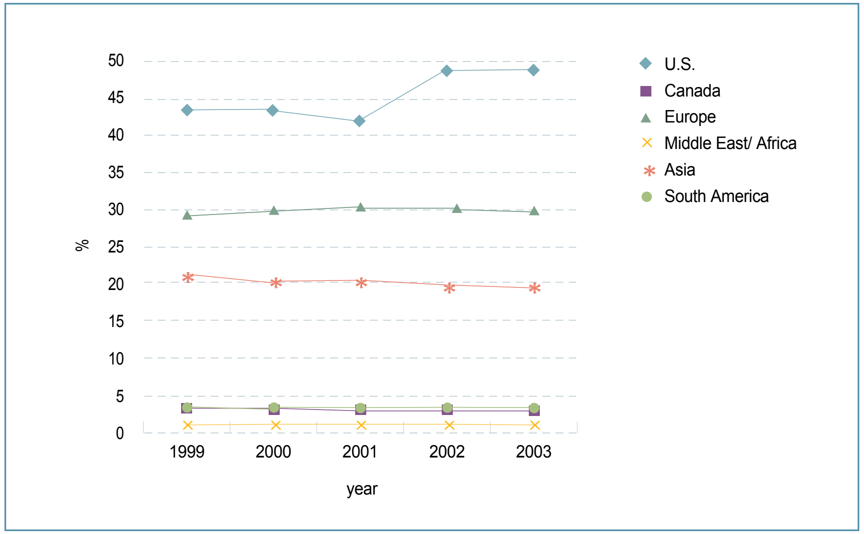
Five Year Average Box Office Revenue by Region



Global Box Office Revenue Trends by Region



Market Share Trends of Box Office by Region

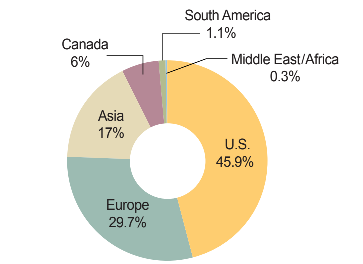


1.4 VHS/ DVD Sales & Rentals

VHS/DVD sales & rentals have grown at a much faster pace than box office revenues. Case in point, global VHS/DVD sales & rentals in 2003 were estimated at approximately 53.2 billion dollars, which is 2.5 times more than box office revenues for that particular year.

A look at regional VHS/DVD sales & rentals unsurprisingly finds the U.S. on top with 45.9% of the global total, followedby Europe with 29.7% and Asia 17%. While the ratio of the overall domestic film market made up of VHS/DVD sales & rentals has grown in the U.S., it has actually decreased in Asia. Meanwhile the ratio of Europe's domestic VHS/DVD market has remained steady.

Regional Share of Global VHS/DVD Market in 2003



A closer look at annual global VHS/DVD market reveals that it has grown at a faster clip than global box office revenues. Global VHS/DVD sales & rentals have grown by an average of 11.2% over the last five years, with the U.S., Canada, and Europe leading the way. More to the point, VHS/DVD sales & rentals in Canada and Europe have increased by 20% over this five year period. Meanwhile, VHS/DVD sales & rentals in Asia have increased by 6.2% over the same period.

In keeping with the above trends, we find that Europe's share of global VHS/DVD sales & rentals broadly increased during the period under study. Europe, which only accounted for 20% of global VHS/DVD sales & rentals in 1999, saw its share of the global market increase to almost 30% in 2003. Meanwhile, the U.S. and Asia's share of global VHS/DVD market have been on the decline. As such, although the U.S. accounted for in excess of 50% of global VHS/DVD sales & rentals in 1999, its share of the global market decreased every subsequent year, dropping to less than 46% by 2003. Meanwhile, Asia's share of the global market decreased from 21% in 1999 to 17% in 2003.

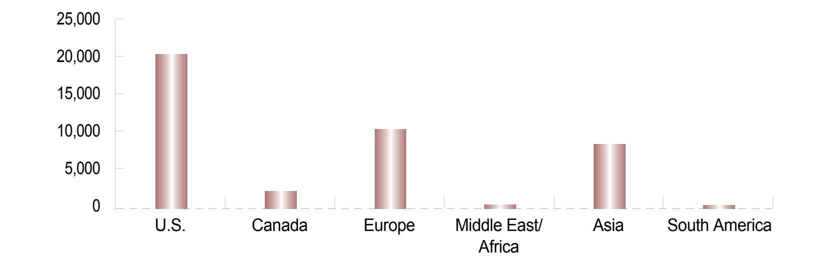
Table 4. Trends in Global VHS/DVD Market

(million dollars, %)

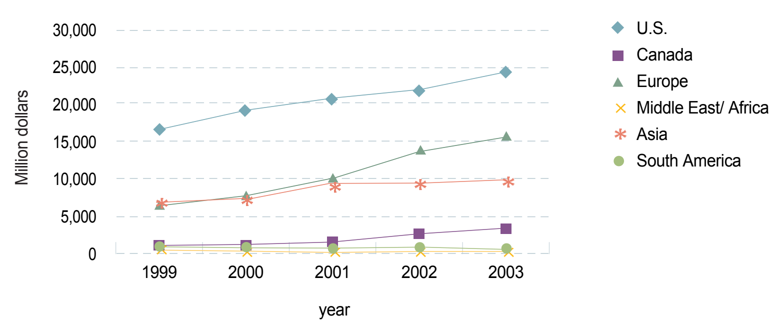
Section		1999	2000	2001	2002	2003	5 year average
U.S.	VHS/DVD market	17,053	18,613	20,549	22,183	24,439	20,567
	Growth	4.2%	9.1%	10.4%	8%	10.2%	8.4%
	Share of Total	53.1%	50.2%	49.5%	47.1%	45.9%	49.2%
Canada	VHS/DVD market	1,279	1,613	1,958	2,741	3,221	2,162
	Growth	- 6.0%	26.1%	21.4%	40.0%	17.5%	19.8%
	Share of Total	4.0%	4.3%	4.7%	5.8%	6%	5%
Europe	VHS/DVD market	6,242	8,565	10,324	13,030	15,808	10,794
	Growth	- 2.5%	37.2%	20.5%	26.2%	21.3%	20.6%
	Share of Total	19.5%	23.1%	24.9%	27.7%	29.7%	25%
Middle East/ Africa	VHS/DVD market	133	145	151	157	168	151
	Growth	- 5.0%	9%	4.1%	4%	7.0%	3.8%
	Share of Total	0.4%	0.4%	0.4%	0.3%	0.3%	0.4%
Asia	VHS/DVD market	6,893	7,634	7,987	8,419	9,033	7,993
	Growth	3.1%	10.8%	4.6%	5.4%	7.3%	6.2%
	Share of Total	21.5%	20.6%	19.2%	17.9%	17.0%	19.2%
South America	VHS/DVD market	487	535	552	563	585	544
	Growth	-12.6%	9.9%	3.2%	2.0%	3.9%	1.3%
	Share of Total	2%	2%	1.9%	1.8%	1.7%	1.9%
Global VHS/DVD Market		32,087	37,105	41,521	47,093	53,254	42,212
Global Rate of Increase		1.9%	15.6%	11.9%	13.4%	13.1%	11.2%
Share of Total		100%	100%	100%	100%	100%	100%

Source: PWC 2004, 2002

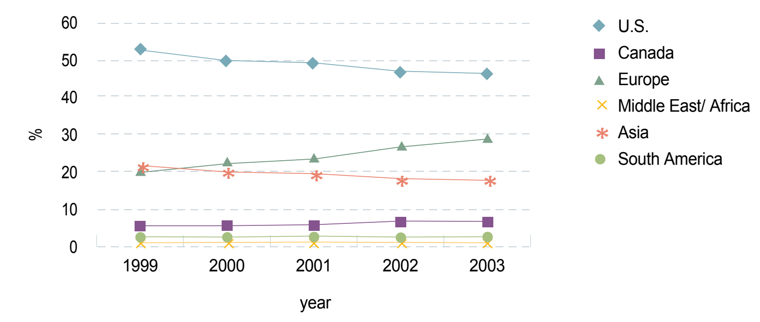
Five Year Average VHS/DVD Market by Region



Global VHS/DVD Market Trends



Market Share Trends in VHS/DVD by Region

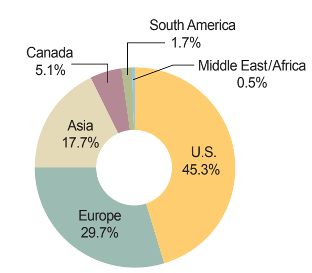


1.5 The Scale of the Global Film Industry

The size of the global film industry, which is calculated by combining box office revenues with VHS/DVD sales & rentals, was estimated at 74.9 billion dollars in 2003, with the U.S. accounting for 33.9 billion dollars, Europe 22.2 billion dollars, Asia 13.3 billion dollars, and South America 1.3 billion dollars. If we translate this into shares of the global film industry, then the U.S. and Canada would make up 50.4%, while Europe would account for 30%, Asia 17.7%, and South America 1.7%.

The global film industry, a combination of box office revenues and VHS/DVD sales & rentals, has increased by 9.6% over the last five years, or since 1999. The global film industry grew at an especially torrid pace during the period from 2000-2002, when it expanded by 11%.

Regional Share of the Global Film Industry in 2003



This growth has been uneven, with some regions doing better than others. In this regards, Canada and Europe have experienced the largest growth over the last five years, growing by 17.8% and 16% respectively. While Asia experienced annual growth of 5.2% until 2001, the growth rate has been sluggish since then. For its part, the U.S. film industry has increased gradually every year.

The growth of the European and Canadian film industries is well reflected in their respective shares of the global film industry. Meanwhile, the share of the U.S. and Asian film industries has grown relatively smaller, while the share of the South American film industry has not exhibited any significant changes.

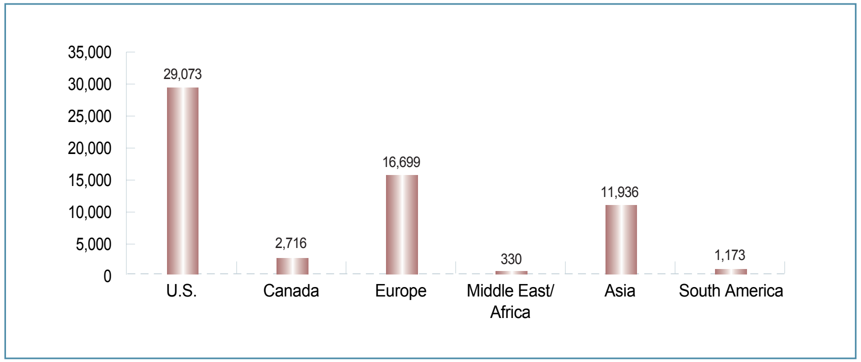
Table 5. Global Film Industry Trends

(million dollars)

Section		1999	2000	2001	2002	2003	5 year average
U.S.	Box office	7,448	7,661	8,413	9,520	9,489	8,506
	VHS/DVD	17,053	18,613	20,549	22,183	24,439	20,567
	Sub-total	24,501	26,274	28,962	31,703	33,928	29,073
Canada	Box office	469	485	545	635	636	554
	VHS/DVD	1,279	1,613	1,958	2,741	3,221	2,162
	Sub-total	1,748	2,098	2,503	3,376	3,857	2,716
Europe	Box office	5,076	5,388	6,144	6,503	6,413	5,905
	VHS/DVD	6,242	8,565	10,324	13,030	15,808	10,794
	Sub-total	11,318	13,953	16,468	19,533	22,221	16,699
Middle East/ Africa	Box office	177	160	179	187	195	180
	VHS/DVD	133	145	151	157	168	151
	Sub-total	310	305	330	344	363	330
Asia	Box office	3,620	3,623	4,080	4,159	4,234	3,943
	VHS/DVD	6,893	7,634	7,987	8,419	9,033	7,993
	Sub-total	10,513	11,257	12,067	12,578	13,267	11,936
South America	Box office	509	580	633	707	716	629
	VHS/DVD	487	535	552	563	585	544
	Sub-total	996	1,115	1,185	1,270	1,301	1,173
Global Box Office		17,299	17,897	19,994	21,711	21,683	19,716
Global VHS/DVD		32,087	37,105	41,521	47,093	53,254	42,212
Global Film Industry		49,386	55,002	61,515	68,804	74,937	61,928

Source: PWC 2004, 2002

Five Year Average Global Film Industry Revenues by Region



Global Film Industry Trends

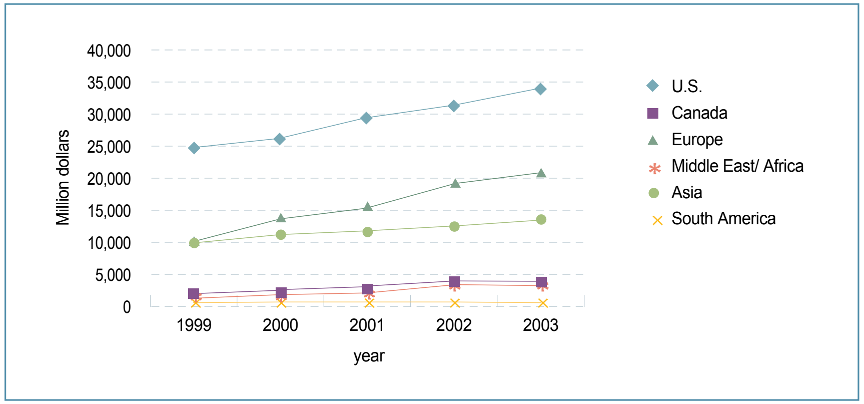


Table 6. Growth Trends of the Global Film Industry

(%)

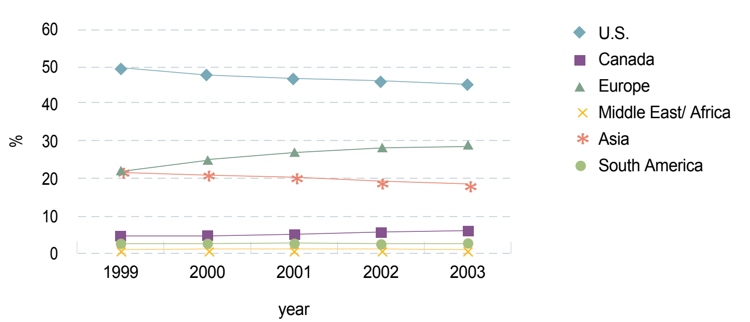
Section		1999	2000	2001	2002	2003	5 year average
U.S.	Box office	7.2%	2.9%	9.8%	13.2%	- 0.3%	6.5%
	VHS/DVD	4.2%	9.1%	10.4%	8%	10.2%	8.4%
	Sub-total	5.1%	7.2%	10.2%	9.5%	7%	7.8%
Canada	Box office	20.9%	3.4%	12.4%	16.5%	0.2%	10.7%
	VHS/DVD	- 6%	26.1%	21.4%	40%	17.5%	19.8%
	Sub-total	- 0.1%	20%	19.3%	34.9%	14.2%	17.7%
Europe	Box office	19.3%	6.1%	14%	5.8%	- 1.4%	8.8%
	VHS/DVD	- 2.5%	37.2%	20.5%	26.2%	21.3%	20.6%
	Sub-total	6.2%	23.3%	18%	18.6%	13.8%	16%
Middle East/ Africa	Box office	-18.1%	- 9.6%	11.9%	4.5%	4.3%	- 1.4%
	VHS/DVD	- 5%	9%	4.1%	4%	7%	3.8%
	Sub-total	-12.9%	- 1.6%	8.2%	4.2%	5.5%	0.7%
Asia	Box office	- 0.3%	0.1%	12.6%	1.9%	1.8%	3.2%
	VHS/DVD	3.1%	10.8%	4.6%	5.4%	7.3%	6.2%
	Sub-total	1.9%	7.1%	7.2%	4.2%	5.5%	5.2%
South America	Box office	-19.1%	13.9%	9.1%	11.7%	1.3%	3.4%
	VHS/DVD	-12.6%	9.9%	3.2%	2%	3.9%	1.3%
	Sub-total	-16%	11.9%	6.3%	7.2%	2.4%	2.4%
Global Box Office		7.7%	3.5%	11.7%	8.6%	- 0.1%	6.3%
Global VHS/DVD		1.9%	15.6%	11.9%	13.4%	13.1%	11.2%
Global Film Industry		3.8%	11.4%	11.8%	11.8%	8.9%	9.6%

Table 7. Market Share Trends of the Global Film Industry

(%)

Item		1999	2000	2001	2002	2003	5 year average
U.S.	Box Office Share	43.1%	42.8%	42.1%	43.8%	43.8%	43.1%
	VHS/DVD Share	53.1%	50.2%	49.5%	47.1%	45.9%	49.2%
	Sub-total Share	49.6%	47.8%	47.1%	46.1%	45.3%	47.2%
Canada	Box Office Share	2.7%	2.7%	2.7%	2.9%	2.9%	2.8%
	VHS/DVD Share	4%	4.3%	4.7%	5.8%	6%	5%
	Sub-total Share	3.5%	3.8%	4.1%	4.9%	5.1%	4.3%
Europe	Box Office Share	29.3%	30.1%	30.7%	30%	29.6%	29.9%
	VHS/DVD Share	19.5%	23.1%	24.9%	27.7%	29.7%	25%
	Sub-total Share	22.9%	25.4%	26.8%	28.4%	29.7%	26.6%
Middle East/ Africa	Box Office Share	1%	0.9%	0.9%	0.9%	0.9%	0.9%
	VHS/DVD Share	0.4%	0.4%	0.4%	0.3%	0.3%	0.4%
	Sub-total Share	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%
Asia	Box Office Share	20.9%	20.2%	20.4%	19.2%	19.5%	20.1%
	VHS/DVD Share	21.5%	20.6%	19.2%	17.9%	17%	19.2%
	Sub-total Share	21.3%	20.5%	19.6%	18.3%	17.7%	19.5%
South America	Box Office Share	2.9%	3.2%	3.2%	3.3%	3.3%	3.2%
	VHS/DVD Share	1.5%	1.4%	1.3%	1.2%	1.1%	1.3%
	Sub-total Share	2%	2%	1.9%	1.8%	1.7%	1.9%
Global Box Office		100%	100%	100%	100%	100%	100%
Global VHS/DVD		100%	100%	100%	100%	100%	100%
Global Film Industry		100%	100%	100%	100%	100%	100%

Market Share Trends of the Global Film Industry



2. Comparison of the Major Countries' Film Industries

In this section, a comparative study of the 10 major film industries is carried out in various categories related to the film industry. This attempts to estimate the relative importance of the 10 major film industries within the global film industry. Moreover, an attempt was also made to assess the relative importance of the Korean film industry vis-a-vis the 10 major film industries and in terms of the global film industry. To this end, the following average annual exchange rates were employed.

Table 8. Average Annual Exchange Rates

Region	1999	2000	2001	2002	2003
Dollar	1	1	1	1	1
Pound (Pound/$)	0.6184	0.6598	0.6943	0.665	0.6121
Euro (Euro/$)	0.939	1.0823	1.1161	1.0571	0.8834
Yen (Yen/$)	113.87	107.7	121.47	125.14	115.84
Australian dollar (Australian dollar/$)	1.54967	1.71733	1.93199	1.83857	1.53398
Won (Won/$)	1,189.48	1,130.61	1,290.83	1,251.24	1,191.89

Sources: The Bank of Korea's data on the economic trends in major countries, annual issue of International Financial Statistics

2.1 Number of Films Produced and Released

The 10 major film industries have produced an estimated 2,534 films a year over the last five years. This total accounts for 66.4% of the approximately 3,815 films produced annually by the global film industry during the same period. The share of the films produced by the 10 major film industries to global film industry output has for the most part remained constant.

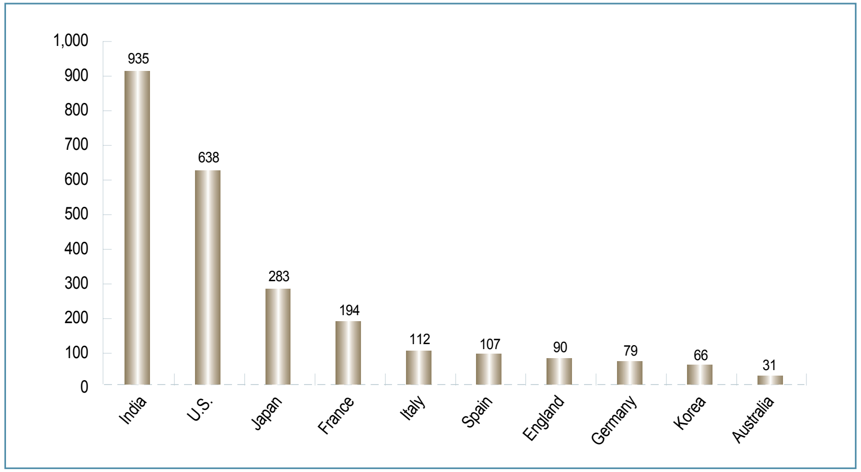
Korea, which produced an average of 66 films per year during the five-year period under study, came in 9th overall in terms of the number of films produced. However, as the average number of films it produces has grown, Korea has drawn closer to Germany and England, while increasing the gap between itself and Australia. Therefore, the ratio of Korean films to films produced by the 10 major countries has gradually increased, rising from 2% in 1999 to 3% in 2003.

Table 9. The Number of Films Produced by Ten Countries

Country	1999	2000	2001	2002	2003	5 year average
India	764	855	1,013	943	1,100	935
U.S.	758	683	611	543	593	638
Japan	270	282	281	293	287	283
France	181	171	204	200	212	194
Italy	108	103	103	130	117	112
Spain	82	98	106	137	110	107
England	103	90	83	84	88	90
Germany	74	75	83	84	80	79
Korea	49	59	65	78	80	66
Australia	45	31	26	32	21	31
Total	2,434	2,447	2,575	2,524	2,688	2,534
Korean Film Share to 10 countries	2%	2.4%	2.5%	3.1%	3%	2.6%
Global Film Production	3,556	3,737	3,763	3,987	4,030	3,815
10 Countries' Share to Global Total	68.4%	65.5%	68.4%	63.3%	66.7%	66.4%
Korean Film Share to Global Total	1.4%	1.6%	1.7%	2%	2%	1.7%

Note: The order of the countries was based on the average number of films which they produced over this five-year period.
The number of film released is used in the case of Japan and Germany.

Five Year Average Number of Film Produced



In 2003, Korea ranked 6th out of the 10 countries in terms of average film production costs, spending approximately 3.5 million dollars on average to produce a film. This was higher than Italy, Spain, and Australia, but somewhat behind France and Japan.

Table 10. Average Film Production Costs of Ten Countries

(million dollars)

Country	1999	2000	2001	2002	2003
U.S.	76.03	82.1	78.71	89.42	102.85
England	n.a.	n.a.	10.35	7.16	10.83
Germany	n.a.	n.a.	5.65	5.93	6.93
France	n.a.	n.a.	3.97	4.07	6.15
Japan	n.a.	n.a.	4.35	4.28	4.66
Korea	1.6	1.9	1.98	2.97	3.49
Italy	n.a.	n.a.	1.74	2.01	2.92
Spain	n.a.	n.a.	2.02	2.22	2.6
Australia	n.a.	n.a.	1.76	2.23	2.28
India	n.a.	n.a.	0.14	0.16	0.11

Note: The order based on average film production costs in 2003

Korea ranked amongst the lower echelons in terms of the total number of films released, with India, which released an average of 1,120 films a year finishing first. Japan released an average of 621 films a year, finishing second. Of special note, Spain and France released an average of 518 and 515 films respectively, more than the 454 films released on average by the U.S. For its part, Korea averaged 282 films a year, somewhat better than Australia.

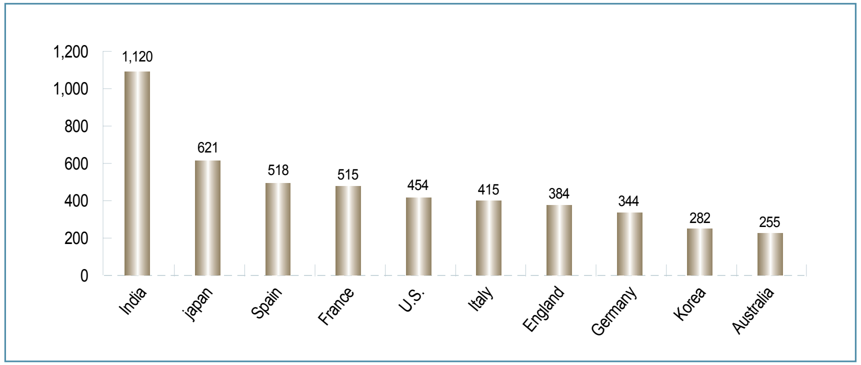
Table 11. The Number of Films Released in Ten Countries

Country	1999	2000	2001	2002	2003	5 year average
India	n.a.	n.a.	1,261	1,150	948	1,120
Japan	568	644	630	640	622	621
Spain	479	518	512	556	527	518
France	525	544	506	488	513	515
U.S.	442	458	462	449	459	454
Italy	404	428	410	399	436	415
England	391	383	352	369	423	384
Germany	327	373	338	321	359	344
Korea	275	339	280	274	240	282
Australia	255	250	245	258	268	255
Total	3,666	3,937	4,996	4,904	4,793	4,459
Korean Film Share to Total	7.5%	8.6%	5.6%	5.6%	5%	5.7%

Note: The order based on the average number of films released over the five-year period.

Global Film Industry and Korea

Five Year Average Number of Film Released



2.2 Distribution

With the exception of India, for which data on the activities of the five major U.S. direct distributors is not available, the market share of the five major U.S. direct distributors in the other countries is exhibited in the following table. While the market share of these U.S. direct distributors in Germany has been particularly large, in France, Japan, and Korea it has been relatively small. Meanwhile, the market share of the U.S. direct distributors in Spain and Italy has gone up on an annual basis.

Table 12. The Market Share of the U.S. Direct Distributors in Ten Countries

(%)

Country	2001	2002	2003
England	77.6	73.3	77.7
Germany	67.8	80.5	78.9
Australia	69.4	59.5	n.a.
Spain	62.7	67.8	69.3
Italy	51	52.4	54.6
Japan	38	47	n.a.
France	30.2	29.9	30.3
Korea	33.6	38.3	28.9

2.3 Number of Screens

A comparison of the number of screens found in the major countries reveals that Korea continues to have untapped potential when it comes to the expansion of the number of screens. Presently, Korea has fewer screens than Australia, a country which produces and releases fewer films than Korea.

Table 13. The Number of Screens in Ten Countries

Country	1999	2000	2001	2002	2003
U.S.	37,185	37,396	36,764	35,280	35,786
India	12,900	13,400	11,962	11,000	11,000
France	5,003	5,155	5,249	5,262	5,295
Germany	4,651	4,783	4,792	4,868	4,868
Spain	3,354	3,500	3,770	4,039	4,253
Italy	2,839	2,948	3,112	3,299	3,628
England	2,758	2,954	3,174	3,258	3,318
Japan	2,221	2,524	2,585	2,635	2,681
Australia	1,748	1,817	1,855	1,872	1,907
Korea	588	720	818	977	1,132

Note : The order based on the number of screens in 2003.

2.4 Admissions

The 10 major countries combined averaged 5.6 billion admissions a year, good enough for 80% of global film admissions. India finished first in terms of average film admissions over the entire five-year period under study, followed by the U.S. and France. India holds a commanding position when it comes to total film admissions, accounting for 54% of admissions in the 10 major countries, and 42.9% of global film admissions. The number of U.S. moviegoers averaged 1.5 billion over this period, which translated into 27% of the 10 major countries' admissions, and 21.5% of global film admissions. Germany, England, and Japan made up the third group, with the number of film admissions in Germany exhibiting a downward trend.

Korea's average film admissions per year over this five year period were in the same range as Australia's. Although the number of film admissions in Korea was the lowest of the 10 major countries over the entire five year period, it has grown annually to forge ahead of Italy in 2003. The share of admissions in Korea to overall admissions in the 10 major countries has also risen every year, increasing from 1% in 1999 to 2.2% in 2003.

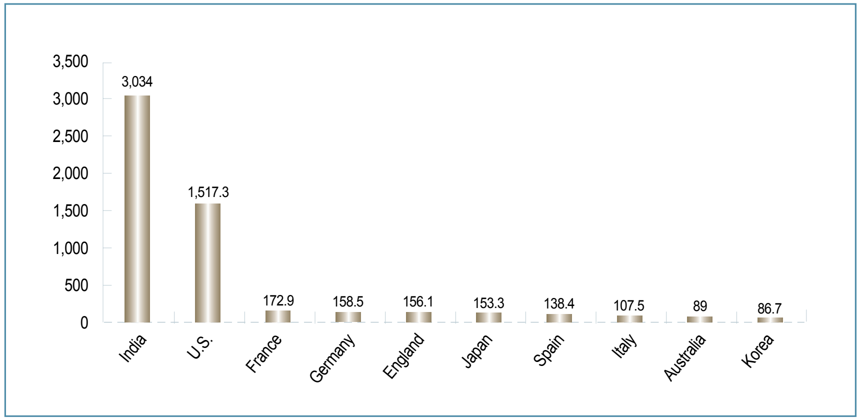
Table 14. Film Admissions in Ten Countries

(million people, %)

Country	1999	2000	2001	2002	2003	5-year average	5-year average	
							Share to Ten Countries	Share to Global Total
India	3,200	3,300	3,000	2,800	2,870	3,034	54%	42.9%
U.S.	1,465.2	1,420.8	1,487.4	1,639.3	1,574	1,517.3	27%	21.5%
France	153.6	165.5	187.2	184.2	174.2	172.9	3.1%	2.4%
Germany	149	152.5	177.9	163.9	149	158.5	2.8%	2.2%
England	139.1	142.5	155.9	175.9	167.3	156.1	2.8%	2.2%
Japan	144.8	135.4	163.3	160.8	162.3	153.3	2.7%	2.2%
Spain	131.3	135.4	146.8	140.7	137.5	138.4	2.5%	2%
Italy	103.5	103.4	110	111.5	109.3	107.5	1.9%	1.5%
Australia	88	82.2	92.5	92.5	90	89	1.6%	1.3%
Korea	54.7	64.6	89.4	105.1	119.5	86.7	1.5%	1.2%
Ten Countries Total	5,629.2	5,702.3	5,610.4	5,573.9	5,553.1	5,613.8	100%	
Share of Korea to Ten Total	1%	1.1%	1.6%	1.9%	2.2%	1.5%		
Total Global Admissions	6,931.3	7,068.7	7,107.2	7,143.2	7,089.6	7,068	79.4%	
Share of Ten Total to Global Total	81.2%	80.7%	78.9%	78%	78.3%	79.4%		
Share of Korea to Global Total	0.8%	0.9%	1.3%	1.5%	1.7%	1.2%		

Note: The order based on the 5-year average for film admissions.

Five Year Average Admissions



2.5 Average Attendance

The U.S. ranked 1st of the 10 major countries in terms of the number of films viewed annually, with each person averaging 5.4 trips to the movie theater annually over the last five years. Australia, a country that ranked at the bottom with regards to the number of films produced and released, film admissions, and screens, finished second, ahead of Spain and France, with an average of 4.7 trips to the movie theater per person.

Korea was the only country in which the number of films viewed per person clearly increased every year. The average number of trips to the movie theaters per person in Korea increased from only 1.2 in 1999 to 2.5 in 2003. In 2003, Korea even began to forge ahead of Italy and Germany.

Table 15. Average Attendance in Ten Countries

(times)

Country	1999	2000	2001	2002	2003	5 year average
U.S.	5.4	5.2	5.3	5.7	5.4	5.4
Australia	4.8	4.5	5.1	4.7	4.51	4.72
Spain	3.3	3.4	3.7	3.4	3.3	3.42
France	2.62	2.83	3.2	3.15	2.98	2.96
India	n.a.	n.a.	2.93	2.67	3	2.87
England	2.4	2.4	2.6	2.9	2.78	2.62
Germany	1.82	1.86	2.16	1.99	1.81	1.93
Italy	1.8	1.8	1.9	1.9	1.94	1.87
Korea	1.2	1.3	1.9	2.2	2.47	1.81
Japan	1.1	1.1	1.3	1.3	1.27	1.21

2.6 Box Office Revenues

The box office revenues of the 10 major countries averaged an estimated 15.6 billion dollars annually over the last five years, accounting for 79% of average global box office revenues, which were estimated at 19.7 billion dollars a year over the same period. This ratio has remained for the most part constant.

U.S. average box office revenues, which were highest amongst the 10 countries surveyed, averaged 8.5 billion dollars a year. This translates into 54.5% of the 10 countries' box office revenues, and 43.1% of global box office revenues. The U.S. thus accounts for 43.1% of the global box office revenues with 21.5% of global film admissions. Japan ranked 2nd in terms of box office revenues with an annual average take of 1.6 billion dollars, which was good for 10.5% of the 10 countries' box office revenues, and 8.3% of global box office revenues.

Korea's box office revenues, despite being the smallest amongst the 10 countries in terms of the 5-year average, have increased annually. Korea's box office revenues moved ahead of Australia's in 2002, and drew closer to India, Italy, and Spain's in 2003. The share of Korea's box office revenues to those of the ten major countries increased from only 1.7% in 1999 to 3.4% in 2003.

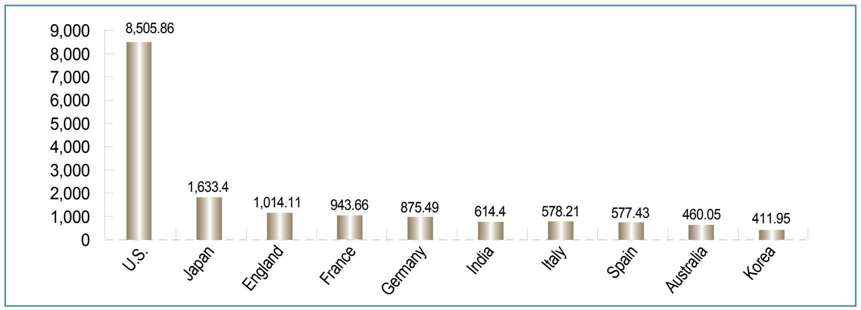
Table 16. Box Office Revenues in Ten Countries

(million dollars, %)

Country	1999	2000	2001	2002	2003	5-year average	5-year average	
							Share to Ten	Share to Global Total
U.S.	7,448	7,660.7	8,412.5	9,519.6	9,488.5	8,505.86	54.5%	43.1%
Japan	1,605.65	1,586.46	1,647.76	1,572.48	1,754.65	1,633.4	10.5%	8.3%
England	910.48	883.59	928.99	1,135.29	1,212.21	1,014.11	6.5%	5.1%
France	876.67	824.43	912.69	972.19	1,132.31	943.66	6%	4.8%
Germany	860.63	761.84	884.53	908.25	962.2	875.49	5.6%	4.4%
India	562	637	643	600	630	614.4	3.9%	3.1%
Italy	567.54	489.72	528.64	595.4	709.78	578.21	3.7%	2.9%
Spain	528.09	495.57	552.32	592.11	719.05	577.43	3.7%	2.9%
Australia	454.36	401.5	420.5	459.49	564.42	460.05	2.9%	2.3%
Korea	240.62	306.04	405.71	505.71	601.66	411.95	2.6%	2.1%
Total	14,054.03	14,046.85	15,336.65	16,860.51	17,774.76	15,615.56	100%	
Share of Korea to Ten	1.7%	2.2%	2.6%	3%	3.4%	2.6%		
Global Box Office Revenues	17,299	17,896.7	19,993.5	21,710.6	21,682.5	19,716.46		79.2%
Share of Ten to Global Total	81.2%	78.5%	76.7%	77.7%	82%	79.2%		
Share of Korea to Global Total	1.4%	1.7%	2%	2.3%	2.8%	2.1%		

Note: The order based on the 5-year average for box office revenues.

Five Year Average Box Office



2.7 Average Ticket Prices

Japan was found to be the country with the highest average ticket prices amongst the 10 major countries. The average ticket price in Japan was 10.7 dollars, or 4.22 dollars more than England, which finished 2nd in this category.

The average ticket price in Korea was 4.7 dollars, good enough for 8th place in our survey.

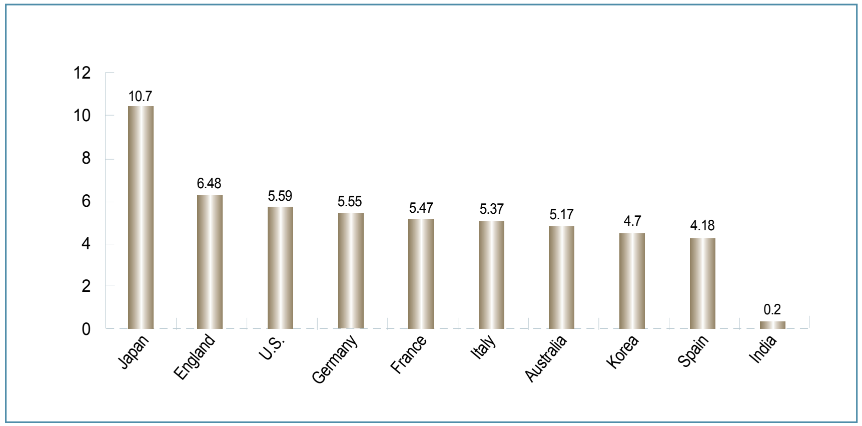
Table 17. Average Ticket Prices in Ten Countries

(dollars)

Country	1999	2000	2001	2002	2003	5 year average
Japan	11.09	11.72	10.09	9.78	10.81	10.7
England	6.55	6.2	5.96	6.45	7.25	6.48
U.S.	5.08	5.39	5.66	5.81	6.03	5.59
Germany	5.78	5	4.97	5.54	6.46	5.55
France	5.71	4.98	4.87	5.28	6.5	5.47
Italy	5.48	4.74	4.81	5.34	6.49	5.37
Australia	5.16	4.88	4.55	4.97	6.27	5.17
Korea	4.4	4.74	4.54	4.81	5.04	4.7
Spain	4.02	3.66	3.76	4.21	5.23	4.18
India	0.18	0.19	0.21	0.21	0.22	0.2

Note: The order based on the 5-year average for ticket prices.

Five Year Average Ticket Prices



2.8 VHS/DVD Market

The average VHS/DVD sales & rentals of the 10 countries combined approximated 33.8 billion dollars over the last five years and accounted for 80.1% of global VHS/DVD sales & rentals. Unlike box office revenues, the 10 countries' average VHS/DVD sales & rentals have expanded rapidly, reaching as high as 42.1 billion dollars in 2003.

Based on the 5-year average alone, the size of Korea's VHS/DVD market was bigger than Australia, Italy, Spain, and India's. However, Korea was found to be the only country in which the size of the VHS/DVD market actually decreased after 1999. Subsequently, the ratio of Korean VHS/DVD sales & rentals to the overall VHS/DVD sales & rentals of the 10 countries combined has decreased from 2.7% in 1999 to 1.5% in 2003.

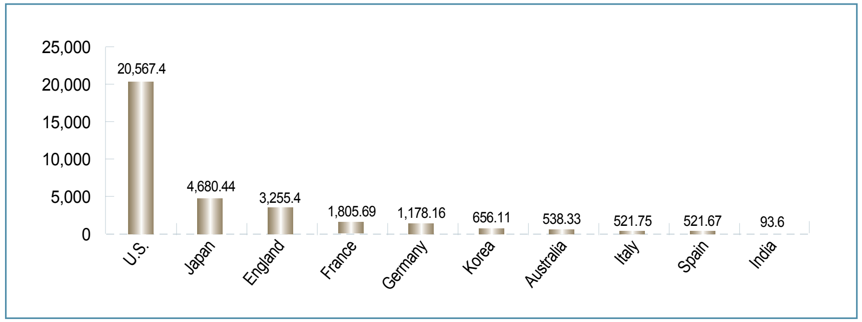
Table 18. VHS/DVD Market in Ten Countries

(million dollars, %)

Country	1999	2000	2001	2002	2003	5-year average	5-year average	
							Share to Ten	Share to Global Total
U.S.	17,053	18,613	20,549	22,183	24,439	20,567.4	60.8%	48.7%
Japan	4,090.25	4,653.03	4,594.55	4,763.20	5,301.16	4,680.44	13.8%	11.1%
England	2,273.46	2,539.54	2,928.56	3,822.86	4,712.57	3,255.4	9.6%	7.7%
France	1,406.55	1,299.88	1,451.25	2,076.09	2,794.68	1,805.69	5.3%	4.3%
Germany	916.11	862.83	1,027.8	1,323.93	1,760.15	1,178.16	3.5%	2.8%
Korea	754.11	692.72	595.9	617.79	620.02	656.11	1.9%	1.6%
Australia	434.78	425.55	422.16	571.91	837.24	538.33	1.6%	1.3%
Italy	450.92	463.2	432.41	538.18	724.03	521.75	1.5%	1.2%
Spain	347.83	389.84	409.74	629.37	831.57	521.67	1.5%	1.2%
India	57	82	96	108	125	93.6	0.3%	0.2%
Total	27,784.01	30,021.6	32,507.37	36,634.33	42,145.42	33,818.54	100%	
Share of Korea to Ten Total	2.7%	2.3%	1.8%	1.7%	1.5%	1.9%		
Global VHS/DVD Market	32,087	37,105	41,521	47,093	53,254	42,212		80.1%
Share of Ten to Global Total	86.6%	80.9%	78.3%	77.8%	79.1%	80.1%		
Share of Korea to Global Total	2.4%	1.9%	1.4%	1.3%	1.2%	1.6%		

Note: The order based on the 5-year average.

Five Year Average VHS/DVD Revenues



2.9 The Scale of Film Industry in Ten Countries

The results of the comparison of the size of the respective countries' film industries, which was based on a combination of box office revenues and VHS/DVD sales & rentals, are exhibited in the following table. The 10 countries' film industries combined for an average of 49.4 billion dollars in total revenues a year. This amounts to 79.8% of the global film industry, whose total revenues have been estimated at 61.9 billion dollars a year.

Korea ranked 8th amongst the 10 countries in terms of the size of its overall film industry. However, as the scale of Korea's film industry is not much smaller than Italy or Spain's, it could very well, if box office revenues continue to grow and VHS/DVD sales and rentals become more invigorated, go on to become the 6th biggest film industry.

In terms of the major countries' ratios of box office revenues to the total film industry, Korea is the only country in which the importance of the box office vis-a-vis the VHS/DVD market has actually increased. In the case of the other countries, the VHS/DVD market has expanded or at the very least maintained a steady ratio relative to box office revenues. This would seem to indicate that if the Korean film industry is going to assure its long-term growth and stability, emphasis should also be placed on the expansion of its VHS/DVD market, which has become an important window, rather than solely on box office revenues.

Table 19. The Size of Ten Countries' Film Industries

(million dollars, %)

Country	1999	2000	2001	2002	2003	5-year average	5-year average	
							Share to Ten	Share to Global Total
U.S.	24,501	26,273.7	28,961.5	31,702.6	33,927.5	29,073.3	58.8%	46.9%
Japan	5,695.9	6,239.5	6,242.3	6,335.7	7,055.8	6,313.8	12.8%	10.2%
England	3,183.9	3,423.1	3,857.6	4,958.2	5,924.8	4,269.5	8.6%	6.9%
France	2,283.2	2,124.3	2,363.9	3,048.3	3,927	2,749.3	5.6%	4.4%
Germany	1,776.7	1,624.7	1,912.3	2,232.2	2,722.3	2,053.7	4.2%	3.3%
Italy	1,018.5	952.9	961	1,133.6	1,433.8	1,100	2.2%	1.8%
Spain	875.9	885.4	962.1	1,221.5	1,550.6	1,099.1	2.2%	1.8%
Korea	994.7	998.8	1,001.6	1,123.5	1,221.7	1,068.1	2.2%	1.7%
Australia	889.1	827	842.7	1,031.4	1,401.7	998.4	2%	1.6%
India	619	719	739	708	755	708	1.4%	1.1%
Ten Total	41,838	44,068.5	47,844	53,494.8	59,920.2	49,433.1	100%	
Share of Korea to Ten Total	2.4%	2.3%	2.1%	2.1%	2.0%	2.2%		
Total Global Film Industry Revenues	49,386	55,001.7	61,514.5	68,803.6	74,936.5	61,928.5		79.8%
Share of Ten to Global Total	84.7%	80.1%	77.8%	77.8%	80%	79.8%		
Share of Korea to Global Total	2%	1.8%	1.6%	1.6%	1.6%	1.7%		

Note: The order based on the 5-year average.

Five Year Average Scale of Film Industry

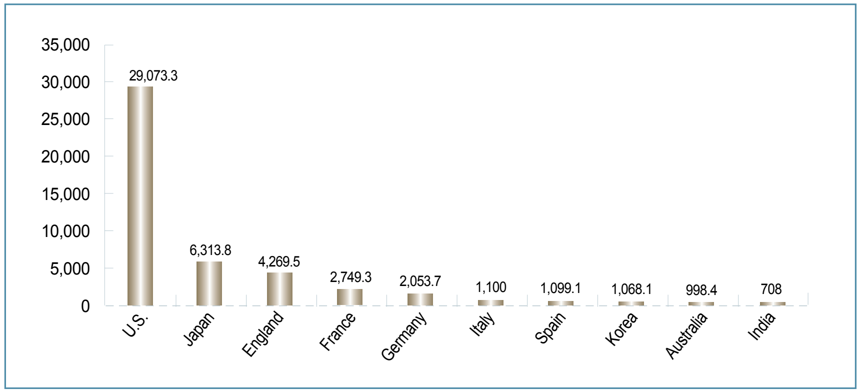


Table 20. The Ratio of Box Office Revenues to the Overall Film Industry

Country	1999	2000	2001	2002	2003
U.S.	30.4%	29.2%	29%	30%	28%
Japan	28.2%	25.4%	26.4%	24.8%	24.9%
England	28.6%	25.8%	24.1%	22.9%	20.5%
France	38.4%	38.8%	38.6%	33.3%	29%
Korea	24.2%	30.6%	40.5%	45%	49.2%
Germany	48.4%	46.9%	46.3%	40.7%	35.3%
Australia	51.1%	48.5%	49.9%	44.5%	40.3%
Italy	55.7%	51.4%	55%	52.5%	49.5%
Spain	60.3%	56%	57.4%	48.5%	46.4%
India	90.8%	88.6%	87%	84.7%	83.4%

Note : The order based on the number of screens in 2003.

3. The Standing of the Korean Film Industry in the Global Market

This section attempts to estimate the box office revenues of major countries based on the market share of national film. Such an exercise is significant in that it allows us to develop a better understanding of the size of each major country's national film industry.

The national films produced in the 10 major countries have earned some 10.2 billion dollars a year on average at the box office over the last five years. This equates to 51.7% of global box office revenues.

A comparison of market share of national film in each countrty finds Korea coming in 3rd after India and the U.S. With regards to box office revenues based on the share of national films, Korea finished 5th, behind the U.S., India, Japan, and France.

The box office revenues earned by Korean films in Korea were estimated at 320 million dollars in 2003, which neared the box office totals for French films in France. If the size of the Korean film industry continues to grow, while the market share of national films remains steady, Korea could very well stabilize its position as the 5th largest country in terms of box office revenues of national films.

Table 21. Market Share of National Films in Ten Countries

(%)

Country	1999	2000	2001	2002	2003	5 year average
India*	n.a.	n.a.	n.a.	n.a.	n.a.	95
U.S.	93.4	95.7	94.3	96.3	95.1	94.96
Korea	39.7	35.1	50.1	48.3	53.49	45.34
France	32.4	28.9	41.4	35.1	35	34.56
Japan	31.9	31.8	39	27.1	34	32.76
Italy	24.1	17.5	19.4	22.2	21.78	21
Germany	14	12.5	18.4	11.9	17.5	14.86
Spain	14.35	10.03	17.87	13.66	15.8	14.34
England	16.5	19.6	4.9	8.3	10.2	11.9
Australia	3	7.9	7.8	4.9	3.5	5.42

Note: The order of the countries was based on the 5-year average.
∗ The market share of Indian films in India is estimated at over 95%.

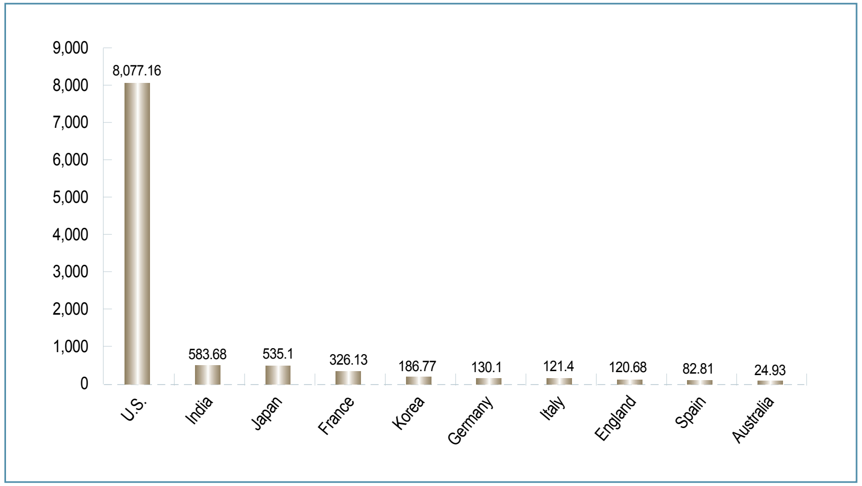
Table 22. Box Office Revenues generated by National Films

(million dollars, %)

Country	1999	2000	2001	2002	2003	5-year average	
						Average Box Office	Share to Ten Total
U.S.	6,956.43	7,331.29	7,932.99	9,167.37	9,023.56	8,077.16	79.3
India	533.9	605.15	610.85	570	598.5	583.68	5.7
Japan	512.2	504.5	642.63	426.14	596.58	535.1	5.3
France	284.04	238.26	377.85	341.24	396.31	326.13	3.2
Korea	95.53	107.42	203.26	244.26	321.83	186.77	1.8
Germany	120.49	95.23	162.75	108.08	168.39	130.1	1.3
Italy	136.78	85.7	102.56	132.18	154.59	121.4	1.2
England	150.23	173.18	45.52	94.23	123.64	120.68	1.2
Spain	75.78	49.71	98.7	80.88	113.61	82.81	0.8
Australia	13.63	31.72	32.8	22.51	19.75	24.93	0.2
Ten Total	8,879.01	9,222.16	10,209.91	11,186.9	11,516.76	10,188.77	100
Share of Korea to Ten Total	1.1%	1.2%	2%	2.2%	2.8%	1.8%	
Share of Ten to Global Total Box Office	51.3%	51.5%	51.1%	51.5%	53.1%	51.7%	

Note: The order of the countries was based on the 5-year average.

Five Year Average Box Office of National Films



References

ANICA, www.anica.it
AFC, www.afc.gov.au
CNC, 2004, *CNC Info: Results 2003*, www.cnc.fr
Dodona Research, 2004, *Cinemagoing Asia Pacific*
European Audiovisual Observatory, 2003, *2003 Yearbook, vol. 3*
2004, *2004 Yearbook vol. 3*
2004, *Focus 2004: World Film Market Trends*
FFA, www.ffa.de
ICAA, 2003, *Analysis of the Spanish Film Industry, 1996~2002*, www.mcu.es/cine
IMF, *International Financial Statistics*
MPA, 2004, *US Entertainment Industry: 2003 MPA Market Statistics*, www.mpaa.org
PricewaterhouseCoopers, 2002, *Entertainment & Media Outlook: 2002~2006*
2004, *Entertainment & Media Outlook: 2004~2008*
UK Film Council, 2004, *Statistical Yearbook 2003*,
2003, *Statistical Yearbook 2002*. www.filmcouncil.org.uk
Screen Digest, Various issues of the Newsletter

The Bank of Korea's date on *economic trends in major countries*
KOFIC, *Korean Cinema Yearbooks*, Communication Books
KOFIC, 2003, *State of Korean Films in the Asia-Pacific Region*

The Most Powerful Supporter for Korean Film Industry

KOFIC
Korean Film Council

KOFIC Headquarter in Seoul **International Promotion Department**
206-46 Cheongnayngni-dong, Dongdaemun-gu, Seoul, Korea(130-010)
Tel: +82-958-7580~8 Fax: +82-2-958-7592 email: international@kofic.or.kr Website: www.kofic.or.kr/english